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# ***Daily Report***

# **China**

**FBIS-CHI-89-163  
Thursday  
24 August 1989**

# Daily Report

## China

FBIS-CHI-89-163

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24 August 1989

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

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## General

### Asiad Game Facilities, Preparations Discussed

#### Olympic Council Head Meets Organizers

OW2408092589 Beijing XINHUA in English  
1143 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—The Olympic Council of Asia (OCA) today discussed with next year's Asiad organizers about sports facilities, food transportation, landing of chartered planes and television broadcasts to tick off Asiad countdown.

OCA President Shaykh Fahd al-Sabah of Kuwait met with chief organizers of the Beijing Asian Games and stressed that preparations and organizations of the Asiad should be in full accord with the OCA Charter.

The OCA president talked about training and competition venues, security and special places for religious worship in the athletes' village. He suggested enlarging the VIP stand at the Beijing Workers Stadium, venue for the opening, closing ceremonies and soccer finale.

Shaykh Fahd is on a week-long tour of Beijing and has inspected Asiad competition venues, which he said are sufficient and satisfactory.

Zhang Baifa, vice mayor of Beijing and vice chairman of the organizing committee, promised the OCA president that all facilities but the swimming natatorium will be ready by next February.

The 11th Asian Games will be held from September 22 to October 5 next year.

#### Foreign Newsmen Tour Sites

OW2208010789 Beijing XINHUA in English  
1053 GMT 21 Aug 89

[Text] Beijing, August 21 (XINHUA)—Nearly 60 journalists from 36 foreign media organizations visited some of the construction sites of the competition venues for next year's Asian Games here today.

Invited by the Press Committee of the Asiad Organizing Committee and the Information Department of the Ministry of Foreign Affairs, the foreign journalists visited the Beijing Workers Stadium, the main stadium for the opening, closing, and soccer finals, the Northern Suburbs Sports Complex, and other stadia and gymnasiums.

The 11th Asian Games will be held from September 22 to October 5, 1990, in Beijing.

### Vice Foreign Minister Discusses Cambodia

PM2308080389 Paris LE MONDE in French  
22 Aug 89 p 4

[Report by Jean-Claude Pomonti: "'No Sofa for Some When Others Get a Folding Seat,' Chinese Delegation Head Tells Us"]

[Text] Mr Liu Shuqing, Chinese vice foreign minister, believes that there can only be a "comprehensive settlement" of the Cambodian conflict, and consequently a "real and total" withdrawal of the Vietnamese troops combined with the formation of a "quadrupartite government chaired by Prince Sihanouk." Sihanouk, he says, is insisting on an "equal" division of powers among the four Khmer sides. China supports this position: "No sofa for some while others get a folding seat," he summed up. Here, in substance, are the essential points of what he said:

Internal settlement—The first formula, Sihanouk's proposal, is the formation of a quadrupartite government chaired by the prince and with three deputy chairmen (representing the three other factions). It will be up to them to parcel out the posts. The second formula, the so-called bipartite coalition (Sihanouk-Hun Sen), in effect is tantamount to monopolization of power by Hun Sen. What France is proposing could be said to move in the direction of the second proposal. It is neither fair nor reasonable. It could not be accepted by the majority of delegations.

Military agreement among Cambodians—China proposes that after a real withdrawal of all the Vietnamese troops the various Cambodian force-levels be frozen and then reduced. Sihanouk and his allies (the resistance) are proposing that each faction's strength be limited to 10,000 men. China supports this proposal. The three sides (of the resistance) have also proposed the disarmament of the four factions. This proposal will interest the conference participants.

The Vietnamese withdrawal—I have discussed this with Nguyen Co Thach (the Vietnamese vice premier. The two men met 9 August in the Chinese Embassy in Paris). I told him that Vietnam must be sincere and suit its actions to its words. International monitoring will be very difficult. It will be easy to circumvent it. The international monitoring mechanism will have to be chaired by the United Nations, and the four Cambodian factions will have to take part in verifying the withdrawal. Mr Thach gave me a guarantee that the Vietnamese troops will not return to Cambodia. I told him that he holds the key to the problem.

Military aid to the resistance—It is only after the Vietnamese withdrawal from Cambodia and a comprehensive agreement that China will have to stop its military aid. All other countries will have to do likewise.

Normalization with Vietnam—China desires this and puts forward just one condition: a real solution to the

Cambodia conflict. Otherwise it will be very difficult to improve our relations. We cannot understand why Vietnam is still dragging its feet. If Vietnam is really sincere, it should explicitly come out in favor of a provisional quadripartite government chaired by Siha-nouk.

The USSR's attitude—As we stressed in February 1989, differences of view between China and the USSR remain regarding Cambodia. But as our Soviet friends have said they are prepared to contribute to a settlement, we are sure they will do so.

The UN fact-finding mission—The mission has not yet submitted its report to the UN secretary general. In the meantime the reports circulated in certain quarters are irresponsible.

### **Song Jian Meets World Mining Congress Official**

OW2408054789 Beijing XINHUA in English  
0151 GMT 24 Aug 89

[Text] Beijing, August 24 (XINHUA)—Song Jian, state councillor and minister in charge of State Science and Technology Commission, met here today M. Najberg, secretary general of the International Organizing Committee of the World Mining Congress.

Najberg is here to learn about the preparations of the Chinese side for the 14th World Mining Congress scheduled to be held in Beijing next year.

## **United States & Canada**

### **Jiang Zemin, U.S. Teacher Discuss Economics**

OW2408125089 Beijing XINHUA in English  
1109 GMT 24 Aug 89

[Text] Beijing, August 24 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, discussed economics education and economic reform in China here this afternoon with Gregory C. Chow, professor at Princeton University of the United States.

## **Soviet Union**

### **Xinjiang Signs Agreements With Soviet Republics**

HK2408093789 Urumqi Xinjiang Regional Service  
in Mandarin 1130 GMT 23 Aug 89

[Text] The Xinjiang Uygur regional economic and trade delegation's friendly visit to the Kazakh and Uzbek Soviet Socialist Republics has been a complete success. Led by Hederbai, vice chairman of the Xinjiang Autonomous Regional Government, the regional economic and trade delegation paid a friendly visit to the two Soviet socialist republics from 20 July to 5 August. The

delegation also took part in the Xinjiang Export Commodity Sample Fair sponsored by the Xinjiang International Economic Cooperation Corporation in Alma-Ata.

During the visit, the trade delegation exchanged views with a Kazakh government delegation on further implementing the Xinjiang-Kazakh 1989-1995 economic and technological cooperation scheme signed in Urumqi and increasing scientific, technological, and cultural cooperation. Both sides also signed the minutes of trade talks. With the efforts made, the trade corporations of both parties signed a trade agreement involving over 40 million Swiss francs and a total of 38 economic and technological cooperation projects.

## **Northeast Asia**

### **Bank of Japan Cancels High-Level Visit**

OW2408132789 Tokyo KYODO in English  
1304 GMT 24 Aug 89

[Text] Tokyo, Aug. 24 KYODO—The Bank of Japan will suspend the annual visit of its senior official to China this year in view of an unsettled situation in that country following the repression of prodemocracy demonstrators last June, central bank sources said on Thursday.

Gov. Satoshi Sumita of the Bank of Japan told reporters on Wednesday that it cannot yet be concluded that the situation in China has stabilized, pointing out that martial law is still in force.

The decision not to send an official to China this year was apparently influenced by antipathy to China's crack-down on demonstrators, which still remains in the Western camp.

The Bank of Japan has annually sent its senior official to China since 1980 to deepen mutual understanding with the Central Bank of China through an exchange of views on the economic, financial and social conditions in both countries.

Gov. Sumita visited China in October 1986, followed by Executive Director Akira Aoki in October 1987 and Deputy Gov. Yasushi Mieno in October 1988.

Officials of the Chinese bank also have visited Japan.

### **Delegation Demands Japanese Refund Visa Fees**

OW2408132989 Tokyo KYODO in English  
1252 GMT 24 Aug 89

[Text] Shanghai, Aug. 24 KYODO—The city of Shanghai is sending a delegation to Japan to demand a refund of fees paid by Chinese students who were denied entry visas to Japan, officials here said Thursday.

Approximately 25,000 Chinese applicants were denied visas after they had already paid the schools and their requests that the fees be returned have been ignored, the officials said.

Entrance fees, class fees and guarantee costs ranged from tens of thousands of yen to several hundred thousand yen, they said. A 200,000-yen total cost is tantamount to a 7-8-year salary for urban workers in China.

The Shanghai delegation, comprising five officials from the municipal government's foreign affairs, education, public security and other bureaus, will consult with the Japanese Foreign Ministry during their 10-day stay in Japan beginning next Tuesday.

The delegation leader, Zhu Majie from the Foreign Affairs Bureau, said that since Japan is an ethical nation, these Japanese language schools should voluntarily refund the prepared fees, noting that the issue has developed into a major social problem in Shanghai.

The delegation will visit schools which refused to pay back the fees to directly demand refunds, the officials said.

A few language schools sent their staff to Shanghai and paid back the fees for those unable to leave China, but many schools indefinitely postponed repayment citing various reasons, they said.

For cases involving schools which were forced to close down due to inappropriate administration, or "ghost schools," the delegation is expected to discuss with the Foreign Ministry about possible legal action, the officials said.

Japanese immigration authorities imposed stricter screening procedures last fall, prompting Chinese students who were not issued visas to stage protests at the Japanese Consulate in Shanghai.

The ministry's new measures affected about 35,000 Chinese applicants, most of them paying their fees to overbooked Japanese language schools or having incomplete application forms.

About 8 percent of those had obtained visas by July this year and visited Japan, and 16 percent received refunds from the schools, according to a survey conducted by the Shanghai municipal government.

The majority, however, have been left with no visas or refunds. Most of them, who borrowed from relatives and friends to pay the school fees, are suffering greatly because of the situation, the municipal officials said.

### More Xinjiang Teachers To Study in Japan

OW2408032289 Beijing XINHUA in English  
1226 GMT 23 Aug 89

[Text] Urumqi, August 23 (XINHUA)—This year, 35 young university teachers from the Xinjiang Uygur Autonomous Region will be sent to Japan for a two-year advanced study course.

These young teachers, including five women, have all taught for more than three years. They belong to the Uygur, Kazak, Han, Mongolian, Kirgiz, Xibe and Uzbek nationalities.

Since 1985, Japan's private University Association has offered free training for teachers to help China develop education in the areas inhabited by the minority nationalities.

Already, 54 teachers from the region have studied in Japan in the past four years.

Afterwards, they will return to teach at their original universities and colleges.

### Mongolian Language Book Fair Opens in MPR

OW2408013889 Beijing XINHUA in English  
0541 GMT 23 Aug 89

[Text] Ulaanbaatar, August 22 (XINHUA)—A Chinese Mongolian-language book exhibition was opened today in Mongolia's Science and Technology Information Center, the first of its kind in 40 years since China and Mongolia established diplomatic ties in 1949.

On display were nearly 2,000 Mongolian-language books published by China's ten publishing houses.

The exhibition is expected to end on August 30.

## Southeast Asia & Pacific

### PRC, Philippine ASEAN Meeting Groups Talk

OW2308221789 Beijing XINHUA in English  
1857 GMT 23 Aug 89

[Text] Manila, August 23 (XINHUA)—The Chinese observer delegation to the 10th ASEAN Inter-Parliamentary Organization (AIPO) Conference held a dialogue here today with the Philippine delegation.

In a friendly and cordial atmosphere, the Chinese delegation led by Yao Guang, vice-chairman of the Foreign Affairs Committee of the National People's Congress Standing Committee, and the Philippine congressmen's panel headed by Miguel Romero, vice-chairman of the Congressional Committee on Appointment, had frank discussions on bilateral relations as well as on regional and international issues of common concern in the three-hour dialogue which was closed to the press.



Parliamentarians from the Malaysian and Thai delegations and the Australian observer delegation attended the discussions.

Romero described the dialogue as "very successful" in an interview with XINHUA after the meeting.

He said they "discussed China's maintaining peaceful relations and cooperation with the countries of the world, specifically with its neighbor countries like the Philippines and the ASEAN", and also "discussed continued and increased trade between China and the Philippines and the ASEAN."

Romero said the Chinese side reaffirmed its stand that there is only one China in the world.

"And of course we in the Philippine panel reiterated the statement made by President Corazon Aquino in a meeting with Premier Li Peng during her state visit to China last year that the Philippines maintains a one-China policy while maintaining trade relations with Taipei," Romero said.

He said some congressmen had filed a bill in the congress on the "Philippines-Taiwan Beneficial Relations Act". "It is still at the sub-committee level and has not been subject to any thorough discussion yet."

"There is really no need for the bill. We very strongly support the one China policy which is the position of the Philippine Government," Romero said.

He went on to say that both panels in the dialogue also discussed ways and means to expand the relations of friendship and cooperation between the two congresses of the Philippines and China.

There will be continued exchange of visits between congress members of the two countries, he recalled. Last year, a Philippine congressional delegation led by Senate President Jovito Salonga visited China. And early this year, China's National People's Congress returned the visit with a delegation led by its Vice-Chairman Ye Fei, who is a Philippine-born Chinese. "There should be a continuing chain," he added.

Romero pointed out that China's participation in the AIPO Conference "is significant, because China is a big country and it affects the entire globe, especially Asia and the Pacific. So relations between China and the Philippines and ASEAN will affect everybody in the region."

Romero said congress members from Malaysia, Thailand and Australia also made very good remarks in the dialogue. They expressed the common hope that the friendship and trade relations between their respective countries and China would grow and China would send more legislators to the next AIPO Conference.

Malaysia House Representative Goh Cheng Teik stated that the Malaysian Government adheres to the one-China policy and maintains that Taiwan is part of the Chinese territory.

He said that what happened in Beijing recently is purely an internal affair of China and Malaysia will not interfere in the matter.

In an separate interview with XINHUA, Yao Guang said that China attaches great importance to its friendly relations with the Philippines and other ASEAN countries. "We wish to make joint efforts with the ASEAN countries to safeguard peace and stability in Southeast Asia," he stressed.

Yao Guang expressed thanks to ASEAN countries for their understanding of the measures taken by the Chinese Government in putting down the recent rebellion in Beijing.

He explained China's domestic and foreign policies, its positions on Kampuchea and other international issues. He said China will continue to carry out the policy of reforms and opening to the outside world.

He said his dialogue with the Philippine and other AIPO member countries was fruitful and helpful to mutual understanding and friendship.

According to the press office of the AIPO Conference, the Philippine delegation also had dialogues today with other observer delegations from Australia, Canada, Japan, South Korea and the Soviet Union.

## Near East & South Asia

### Qian Qichen Meets Bangladesh Foreign Minister

OW2308224489 Beijing XINHUA in English  
1404 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—To maintain friendly relations between China and Bangladesh is the common desire of the two peoples and in their interests, said Chinese Foreign Minister Qian Qichen here today.

In a welcoming banquet for Bengalese [as received] Foreign Minister Anisul Islam Mahmud, Qian said his Bengalese counterpart's visit to China will promote exchanges between the two countries and strengthen the traditional friendship between the two peoples.

Mahmud arrived at Beijing this noon for a five-day visit to China as Qian's guest.

In his speech at the banquet, Qian, on behalf of the Chinese Government, expressed thanks to the Bengalese Government for its full understanding to China's actions against its "temporary difficulties."

The Chinese foreign minister said China will continue to develop its good-neighbor relations with South Asian



countries and support their efforts to maintain their national interests and develop their economies.

In reply, Mahmud said, "We greatly value and cherish the special relationship and cooperation that exist between our two countries. The historical relationship between Bangladesh and China has been progressively strengthened and deepened during the regular contacts and exchange of visits at the highest and other levels."

Thanking China for offering economic assistance to Bangladesh, Mahmud said, "We have followed with great admiration the significant and far-reaching measures of reform adopted in China for the economic and social development of its people and the positive results so far achieved under the wise and far-sighted guidance of senior leader Deng Xiaoping."

Earlier this afternoon, the two foreign ministers held talks to brief each other on their own countries' situation. They also exchanged views on international and regional issues and reached consensus.

Mahmud said he was glad to see China's situation back to normal. He said he believed that China will become more prosperous guided by its leaders and the Bengalese-Chinese friendship will be further developed.

#### First Qatar Envoy Presents Credentials

OW2408014289 Beijing XINHUA in English  
0636 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—Mohamed Saad al-Fahid [name as received], first ambassador of the State of Qatar to China, presented his credentials to Chinese President Yang Shangkun at The Great hall of the People here today.

China and Qatar established diplomatic relations on July 9, 1988. Al-Fahid arrived in Beijing for his post July 31 this year.

### Sub-Saharan Africa

#### Kenyan President Meets New PRC Ambassador

OW2408025889 Beijing XINHUA in English  
1504 GMT 23 Aug 89

[Text] Nairobi, August 23 (XINHUA)—Kenyan President Daniel Arap Moi told new Chinese ambassador Wu Minglian here today that he hoped the relations between Kenya and China would be further strengthened and developed.

Accepting the credentials from Ambassador Wu, President Moi stressed that Kenya's policy towards China will not be changed and he is satisfied with the existing relations of friendship and cooperation between the two countries.

Ambassador Wu, who arrived here on August 8, has already met with Kenyan Minister for Foreign Affairs and International cooperation Robert Ouko.

The relations between the governments and ruling parties of China and Kenya have been developing smoothly since 1980.

#### Ambassador Presents Sporting Goods to Ghana

OW2408051889 Beijing XINHUA in English  
0052 GMT 24 Aug 89

[Text] Accra, August 23 (XINHUA)—Chinese Ambassador to Ghana Cui Jie presented here today a batch of recreation and sports goods to the Ghanaian Ministry of Youth and Sports.

These sports goods, given by All China Youth Federation, included footballs, basketballs, volleyballs, sports shoes and jerseys.

Ghanaian Deputy Secretary for Youth and Sports Sam Nelson thanked All China Sports Federation for its assistance.

### West Europe

#### Automobile Production Cooperation With France

OW2408023289 Beijing XINHUA in English  
0650 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—China's No. 2 Automobile Factory in Hubei Province is to produce cars in co-operation with the French Citroen Automobile Company.

The State Council formally approved the plan last Sunday, the "PEOPLE'S DAILY" reported today.

According to the plan, the co-operative enterprise will be named the "Dongfeng-Citroen Automobile Company Ltd", and its annual production will be 300,000 cars and 400,000 engines.

The construction of the new company will be carried out in two stages, the first of which is planned to be accomplished in 1993. Some 4.1 billion yuan will be invested in this stage, and it will have an annual capacity of 150,000 cars and 200,000 engines.

It is learned that this is the biggest project in the country's mechanical industry since the founding of New China in 1949.

### France To Train Chinese for Nuclear Plant

HK2208021389 Hong Kong SOUTH CHINA MORNING POST in English 22 Aug 89 p 5

[By Andy Ho]

[Text] A group of 47 Mainland Chinese engineers who will be responsible for the day-to-day operation of the future Daya Bay nuclear power plant is now in France on a training course.

On completion of the course they will be issued French-recognised diplomas by the technical consultant to the \$28.8 billion Sino-Hong Kong atomic-power scheme, Electricite de France.

The team is among the first of 115 engineers recruited to be the elite corps responsible for the operation, maintenance and safety of the two pressurised water reactors to be installed at Daya Bay, about 30 kilometres northeast of the Sino-Hong Kong border in Shenzhen.

The Chinese engineers will be assigned to a French nuclear power station equipped with Framatome-designed reactors similar to those planned for Daya Bay.

They are required to take part in operating the station and to perform maintenance tasks under the supervision of French instructors.

The "shadow training program" in France is the fourth of a five-stage, three-year course for the Daya Bay nuclear engineers.

The final phase of training will take place at an on-site training centre, which is equipped with a simulator capable of duplicating normal and emergency situations at the plant.

French and British specialists will work with the Chinese engineers in the start-up and commissioning of the plant.

The Daya Bay engineers will also be assessed by the Chinese National Nuclear Safety Administration before they are allowed to work at the atomic station.

The administration has set up a supervisory office at the Daya Bay site to monitor the performance of the developer—the Guangdong Nuclear Power Joint Venture Company—and its contractors.

The engineers will be supported by some 200 technicians and foremen as well as 320 workers and clerks.

Meanwhile, construction work at Daya Bay is proceeding on schedule with the installation of three French-made "safety injection accumulators" which stores water to cool down the reactors in case of a severe accident.

Also, about two-thirds of the 90 centimetre-thick, 56.7 metre-high shell for the containment building of the first reactor unit has been completed.

Under an arrangement between the Chinese and Hong Kong partners of the Daya Bay project, 70 percent of the nuclear-generated electricity is earmarked for consumption in the territory.

### East Europe

#### Xi Zhongxun Meets Czechoslovak Visitors

OW2408031489 Beijing XINHUA in English 1117 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—Xi Zhongxun, vice-chairman of the Standing Committee of China's National People's Congress, met here today a vacationing group from the Central Committee of the Czechoslovak Communist Party.

The group is led by Vladimir Patek, member of the Czechoslovak Communist Party Central Committee and head of the Central Committee's Department of Politics and Organization. It arrived in Beijing August 10 at the invitation of the International Liaison Department of the Central Committee of the Chinese Communist Party.

The visitors have toured Kunming, Xian and Xiamen Cities.

### Latin America & Caribbean

#### New Nicaraguan Ambassador Presents Credentials

OW2408014589 Beijing XINHUA in English 0637 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—Roger Baldizon Ibarra, Nicaraguan new ambassador to China, presented his credentials to Chinese President Yang Shangkun at the Great Hall of the People here today.

Ibarra arrived in Beijing August 17.

## Political & Social

### Hong Kong Paper Reports on Deng's Health

HK2408062389 Hong Kong MING PAO  
in Chinese 24 Aug 89 p 8

["Special" dispatch: "An Important Official of Zhongnanhai Who Has Fled to Japan Speaks About the Health of Deng Xiaoping"]

[Text] A person who claimed to have held an important job in a core organ in Zhongnanhai said that since the spring of this year, Deng Xiaoping had kept himself alive by generally relying on the use of medicine. His diseases include prostatic carcinoma, cerebral arteriosclerosis, tremor of the limbs of the elderly, and occasional bouts of Alzheimer's disease. It was learned that this self-claimed holder of an important post in a Zhongnanhai core organ had recently fled to Japan. In the pen name of "Jiang Zhifeng (3068 0037 2800), he had written the "Inside Story of the Top Echelons of Zhongnanhai—a Daily Record of the Massacre-Affected City."

This work in the form of a diary described the internal Chinese Communist power struggle, the strategy of suppressing the democratic movement, policies toward Taiwan and toward Hong Kong, contradictions among the troops, and so forth—from the passing away of Hu Yaobang on 15 April to the massacre on 4 June. It also revealed many secrets about top Chinese leading figures so far known by people outside. The writing of half of the book had been finished. The writer hopes that it can be published in Hong Kong and Taiwan. The part in the book describing Deng Xiaoping's health says:

On 22 April, "Deng Xiaoping attended the memorial service (memorial service for Hu Yaobang). He had taken over a dozen tablets of medicine. The sedative was double the normal dosage. So, Xiaoping could hold out standing there an hour. This surprised those in the know. But it would take him a long time to regain his strength. Or, he might fare worse. The medical group had set a plan and a date for his medical treatment in Beidaihe."

On 25 April, "(Four CPC Central Committee Standing Committee members had gone to the Jingshan Residence to see Deng). Xiaoping was lying sideways on the sofa. His eyes glazed, he managed to raise a hand, motioning others to take a seat. That hand was quivering, his face yellowish and puffy. His breathing was uneven. After every few breaths, he had to suck in a big gust of air. His throat emitted a hissing sound. The doctor and the nurse did not dare to be far away from him, so they stood behind the sofa armed with a stethoscope, an oxygen bag and a spittoon.

"Since attending the memorial service for Hu Yaobang, Deng Xiaoping had not been well all the time. Last year, Yang Shangkun had phoned giving the doctors instructions about medicines to be used to guarantee his being able to attend a report conference (briefings by four

Standing Committee members) the next day. The medicines to be taken by Deng included hormones, sedatives, antibiotics, a kind of imported well-known anti-cancer drug, and a large quantity of various vitamins. The anti-cancer drug brings the victim great discomfort, but has a certain therapeutic effect.

"The heart of the 85-year-old was kept working on the strength of these medicines, plus some high-class nutrients. It was like a robot. Action would stop when deprived of external help. ...If these drugs were not taken, there would be the death of an old man the next day. That would be the end of a dynasty for China, with a change in the world situation."

On 27 April, "Deng Xiaoping's case was not so serious as to cause death. It was just developing step by step. His prostatic carcinoma might take a turn for the worse. The occasional shaking of the hands of the elderly had worsened. The symptoms of cerebral arteriosclerosis become increasingly clear. Sitting there, he often betrayed signs of senile dementia. The combined symptoms of the oral cavity-throat, which had all the time worried the doctors, had also developed into the active type. [as published] Deng Xiaoping had smoked excessively. There were many white spots in his oral cavity. Doctors worried very much whether they would develop in the direction of cancer. Now, there was something unusual with the lymph in the throat. Was this caused by the prostate disease or by the white spots in the oral cavity?"

The writer said: "Deng has prostatic carcinoma. The cause is allegedly related to excessive abstention from sex." The book portrayed the case of Xiaoping's lover Ms. Jin in his early years being stolen away by Li Wei-han, and the reasons why he shunned the opposite sex.

### Ministry To Send Young Cadres to Countryside

HK2408024489 Hong Kong AFP in English  
0216 GMT 24 Aug 89

[Text] Beijing, Aug 24 (AFP)—China's Culture Ministry has decided to send its young cadres to the countryside for a few years to "complete their education," an authoritative source said Thursday.

Asked to confirm the report, a ministry spokesman said no "concrete measures" had been taken as yet to decide the number of employees concerned or when they would leave.

Several ministerial departments, universities and enterprises across the country have recently decided to send part of their staff to work for periods ranging from several weeks to several years on farms or in factories.

The move, reminiscent of the Cultural Revolution which threw China into turmoil in 1966-1976, is part of a drive to promote orthodox ideology after a pro-democracy movement was crushed in June.



On Wednesday, Deputy Education Minister He Dongchang underscored the need for "red and experienced" cadres with both professional qualifications and "politically-assimilated." [sentence as received]

Similar terms were used in the Cultural Revolution to justify sending hundreds of thousands of intellectuals to the countryside to further their ideological education and to make them aware of the realities of a peasant's life.

Peasants represent 800 million of China's 1.1 billion population.

### Editorial Says Students Not 'Accountable'

HK2408034589 Beijing XINHUA Hong Kong Service  
in Chinese 0225 GMT 24 Aug 89

["RENMIN RIBAO editorial reiterates that the broad masses of students involved in turmoil will not be held accountable"—XINHUA editor's note]

[Text] Beijing, 24 Aug (XINHUA)—RENMIN RIBAO today publishes an editorial reiterating that those students who participated in demonstrations, supported demonstrators, hunger strikers, and sit-in participants, or expressed radical remarks will not be held accountable, but that a tiny number of the plotters and organizers of turmoil and rebellion will be punished in accordance with the law.

The editorial says: The reason why students were involved in student unrest and turmoil is complicated. The party and government have never said that the vast number of students instigated turmoil, but that they were exploited by some careerists and plotters.

The editorial stresses: Although the rebellion has now been quelled, the problems of the psychological shock to university students has not been solved. They will return to their campuses with different ideas. Some are waiting to be criticized; others are determined to keep silent in the future; and some say that they will never again be involved in state affairs. Some even intend to seek opportunities to vent their discontent.

The editorial continues: As far as university students are concerned the first "knot" which must be untied is that they must not think that participating in political studies is tantamount to "being criticized." If they think that they are being "criticized" they will resent, or even resist, political study. They will not be willing to participate in it or will turn a deaf ear to all advice. In such a way they will not be able to enhance their ideological understanding.

The editorial points out: One of the fundamental reasons why a fairly large number of students were involved in the student unrest and turmoil was that in recent years they had relaxed their study of Marxism. They therefore lacked the theoretical capability to make distinctions. They were unable to make a distinction between right and wrong.

The editorial urges students to soberly think of the past and consider the future. It stresses: "This will be beneficial to their own growth, to the restoration of their campus life, and to society."

This editorial, entitled "Sending Words to University Students in the New Academic Year," also poses three questions to be considered by all university students. These are: "How to understand our national conditions?"; "How to correctly understand relations between democracy and legal system?"; and "How to understand yourselves?" It also briefly explains these questions.

### Witnesses Give Accounts of 4 June Events

#### Teacher Recalls Shooting

HK2408032789 Hong Kong WEN WEI PO  
in Chinese 24 Aug 89 p 1

["Liu Xiaobo Talks About '4 June,' Says He Did Not See Anyone Killed in the Course of Clearing the Square"]

[Text] According to a Hong Kong television report Liu Xiaobo, a teacher from the Beijing Teachers' University who joined the hunger strike in Tiananmen, said that he did not see any student killed when the troops cleared the square early in the morning of 4 June.

On a videotape distributed to some organizations by the Hong Kong branch of the XINHUA NEWS AGENCY, Liu Xiaobo said: "When I was withdrawing from the square via the southeastern corner at 0630 (on 4 June), I only saw the troops opening fire at loudspeakers. I did not see them open fire at the students nor did I see any dead bodies."

Liu Xiaobo was arrested after the "4 June incident" and there were rumors abroad that he had been executed.

#### Singer Describes Tiananmen

HK2408013789 Hong Kong SOUTH CHINA  
MORNING POST in English 24 Aug 89 p 9

[Text] Taiwan singer-composer Hou Dejian, who took part in a hunger strike with pro-democracy protesters, reappeared on Chinese television last week to give his version of the military crackdown in Tiananmen Square. Hou, who had taken refuge in the Australian Embassy in Beijing for about 70 days following the incident, was branded as a propaganda tool for giving a version sharply different from other accounts by protesters caught up in the suppression. During his stay in the embassy, Hou also wrote, apparently of his own free will, a more detailed account of the events on June 3-4, describing how he and other student leaders negotiated with the troops for an orderly withdrawal of the protesters from the square and the chaos that followed. The SOUTH CHINA MORNING POST has obtained a copy of the transcript and the following is its English translation.

A heavy air of sacrifice prevailed over Tiananmen Square in the first three hours of June 4. The student protesters' command post in the square took the lead in vowing to live and die with the square. Heads may fall, blood may flow, but the square must not be lost.

Even I came out, specially, from the hunger-strike tent and joined the group, shouting "Down with the false Government of Li Peng."

In the face of persistent speculation since the morning of June 3—of soldiers opening fire, of the fall of students, workers and citizens, of blood-stained clothes, of flying bullets—the crowd was at a loss to imagine that armed troops would march on the square and open fire on peaceful and non-violent people.

Even less so would they imagine that squadrons of tanks could rumble over the bodies of the crowd.

Many angry, or perhaps naive people still believed that the soldiers would only use tear-gas, rubber bullets and batons to disperse the crowds—to the extent that they were prepared to meet them, armed with sticks.

More than a month had passed. The students, who had persevered at the square under the most appalling conditions, were tired. They could hardly assess the situation with clear minds and make sensible decisions under the increasingly tense atmosphere.

Rumours spread in the square. There was talk of the insurrection of the 38th Army and of people destroying the tanks by stuffing cotton quilts between the wheels. There was even talk of soldiers moving out of the area.

The only convincing evidence was the constant flares and bullets flying eastwards from West Changan Avenue, shouts and roars, and the blood-stained clothes of the dead and wounded.

Liu Xiaobo, Zhou Tuo, Gao Xin and I continued our hunger strike on the steps at the Monument to People's Heroes. The sentries outside, our guards, informed us—with a note—that as long as there was still one of them alive, they would not allow soldiers to move into our tent.

Xiaobo replied, for all of us, that we would also live and die with them. It was signed by the four of us and was read out outside the tent, winning applause.

Many foreign journalists also came to our tent to greet us. We embraced, we blessed each other, we advised each other ... every time, it seemed to be the last time.

About 3 am on June 4, fear reached its peak. There was no one left who could look at the situation calmly. The four of us could no longer control ourselves, our sentiments swaying with those in the square.

Gao Xin and Zhou Tuo, no longer able to control themselves, decided to lead the people out of the square.

They came to seek the views of Xiaobo was the only one who insisted on defending the square to death. In the end, he gave in.

When we were still debating the issue, the loudspeakers outside the command post at the monument conveyed the weak, yet uncontrolled voice of Chai Ling, advising people that the last moment had come. Those who wished to go could leave the square and those who would not go, could stay on.

The four of us sensed the urgency and danger of the advice. The call would only shake the unity of the crowd: if many people decided to leave, it would be chaotic, and chaos would prompt the soldiers to act, and those who refused to leave would be killed.

We, the four of us, decided then to persuade everyone in the square to leave.

But deciding to leave the square was one thing. It was difficult to see how that could be achieved. Sounds of gunfire from the western side of the square—from the Great Hall of the People—were getting closer.

Occasionally, tear-gas shells fell about 50 metres from us. There were still about 20,000 people gathered around the monument. The question was how to persuade those people to listen to our advice. Much less certain was how those willing to leave would be able to persuade those—who had written their last testimony—to go as well.

Only when the whole group moved in unions could we ensure the safety of the people.

There was no question of us shouting through loudspeakers for the people to go. Not only would this be futile, but will would also be interpreted as an insult to the crowd. Such an insult would also prompt extreme behaviour.

We decided that all the weapons heaped around the monument must be removed.

As we moved towards the command post, the loudspeakers broke down. In another tent, we explained to several student leaders from both the student alliance and command post our purpose.

Chai Ling did not comment. We could not force her to agree to leave the square.

The students raised two points: how to account ourselves to those citizens and students who had given their lives; and what about the retaliation that would inevitably come after the retreat. We finally convinced them on both counts.

Then Chai Ling spoke of the speculation pervading in the square that Mr Zhao Ziyang and Mr Yan Mingfu wished the students to sustain themselves until dawn, so that they could then control the troops.

We countered with the contention that young lives should not be sacrificed on mere speculation.



There was still one broadcasting post functioning at the time. Li Lu or Feng Zhongde—I'm not sure which—led us back to the monument, took over the microphone and introduced the four of us to the crowd.

It was then that we began our first step: appealing to the crowd to lay down what may be regarded as weapons.

A few who agreed to leave the square, informed us that there was one machine-gun, two semi-automatic rifles, a pistol and a box of Molotov cocktails at the monument.

A group of workers were manning the machine-gun. It was positioned on the southwestern corner of the top of a flight of steps, covered by quilts.

The workers tensed when they saw us approach. I embraced a young man, perhaps in his early 20s, and told him I was Hou Dejian. He called out "Brother Hou" and cried.

In tears, he said they (the workers) were determined in their support of the students. To stop the military trucks and to protect the students, many of his companions had been killed by soldiers. He himself was also wounded.

I cried too, embracing him tightly. This was the first time in many years that I had cried: there was no sound but tears.

I dragged him back to our tent. Two other workers followed. Gao Xin and Xiaobo were still outside trying to convince the workers.

In the tent, Zhou Tuo and I told of our plans to leave the square. We told the workers that if the PLA (People's Liberation Army) discovered the machine-gun, then we would all die—and die without being given the chance of explaining ourselves.

Only then did they remove the machine-gun. They also led us to another tent and produced a rifle that had no ammunition. The firearm was handed over. We all embraced one another and cried.

Xiaobo then took the weapons to a group of reporters and destroyed them. While the reporters took photographs, Xiaobo repeatedly said that ours was a peaceful, non-violent movement.

Other students then started throwing down their weapons, such as wooden sticks...

As we discussed our next move, two doctors from the Red Cross suggested that the four of us, in their company, approach the troops in an ambulance and negotiate with them, in the hope of obtaining a promise to allow us to withdraw from the square and to win time.

We agreed. Zhou Tuo and I decided to go. Xiaobo and Gao Xin were to stay—collecting weapons and to calm the people.

We asked Chai Ling to accompany us, but she said she could not leave the command post.

It was already 3.30 am. The two of us and the two doctors stopped an ambulance and headed towards the northeast corner of the square.

When we reached the corner of the square, we saw about 10,000 troops. We got out of the ambulance and ran towards them. As we approached, we heard the clicking of rifles and they shouted to us to stop.

We stopped. The doctors identified themselves and introduced me to the troops, saying that we hoped to talk to the commanding officer.

The soldiers relaxed a little. I heard them joking about my name and I realised that they were not hostile.

The commanding officer was not far away. He came with four or five soldiers. He appeared quite normal; a three-star senior officer, about 40 and stocky.

He was calm when he shook our hands. He listened to our request and then asked us to stop our hunger strike. We replied that we had already done so.

Then in a very gentle manner, the officer said he had to consult headquarters.

Within five minutes of his leaving us, the lights in the square went out. I did not look at my watch. We were very frightened.

The soldiers also became impatient. Some clicked their guns, some shouted and others stomped at the broken bottles that littered the area.

The four of us stood there, not daring to move. The doctors were more controlled. They lifted their hands and called on the troops to hurry.

The commanding officer reappeared minutes later and told us that the headquarters had agreed to our request. He also said that the safest route for withdrawal was the southeast.

He told us he was the political commissar, named Ji. I forgot his regiment number.

During the negotiations, Commissar Ji said if we succeeded in persuading the people to withdraw from the square, we would have scored greatly. I believed what he said.

With this guarantee, we raced back to the monument, picked up the microphone and shouted.

Briefly, I said that without seeking the approval of all those present, I had taken it upon myself to look for the troops and negotiate with them. This was because I believed that enough blood had been shed—there should be no more killings.

I said I was convinced that those still in the square were not afraid to die. If we were to die on the square, I said, then we would have committed an unpardonable sin to the country and the Chinese nationality. The task of

fighting for democracy could not be accomplished in a short time. The student movement, the democracy movement, had achieved great success; we were already victorious.

I appealed to all to live on—for the country, for the race and for the task of building democracy.

As I spoke, the sounds of gunfire—coming from the west—were getting louder. And whenever I finished a sentence, somebody in the square would curse me. I could not hear exactly what they said, but I believed they were accusing me of giving in.

I shouted back: "You could all blame me; you could all curse the four of us; as long as all those here could safely leave the square."

I then told them that the withdrawal would take place towards the southeast. I said the move must be unanimous.

As for the fear that all of us would be called to account for ourselves at a later stage, I said this would come in any event, whether we left or not.

I said if this should happen, the first to be arrested would be the four of us—especially me, with a face that all would recognise.

Zhou Tuo then took over the microphone and said about the same. Xiaobo then also said he shared the same view.

The sentiment in the square began to change, but sounds of gunfire were getting nearer. I also saw many soldiers closing in from the south, in trucks and on foot.

I was concerned that this would shake the students' belief in the troops' promise. I asked Zhou Tuo and the two doctors—heading northeast—to ask the troops for more time.

Then, the troops stationed on the northern side began to move. In the centre of the square, we met Commissar Ji. He was serious. He said he had heard our broadcast but the time had come; they must carry out their orders.

He said if we could not persuade the students to get out, we had better leave first. We vowed that we would be the last ones to leave the square. If we had been afraid of death, we would have left long ago.

I don't know whether my words angered him, but a soldier standing nearby went red in the face and shouted, pointing his gun at us. We realised there was nothing more to be said and left.

As we raced back to the monument, we shouted: "Run! In the direction of the southeast!" Many had already started to withdraw. When I ran up the second flight of steps at the monument, about a dozen soldiers had reached the top flight and shot at the loudspeakers. There was gunfire everywhere.

The crowd quickly dispersed. Behind them were several soldiers. I saw them point their guns towards the sky. Some did. They called out my name and asked me to leave quickly. They were serious and some were vicious.

I stood on the first flight of steps and watched the students lining up, banners held high and moving slowly towards the southeast. Suddenly, a group in the middle could not move. I shouted to them: "Leave quickly." Only then did I hear them calling to me: "Let's go together."

I waved at them, turned around and, with the two sentries—who had accompanied us all along—and Zhou Tuo, headed east, then northwards.

In the north, people were still sitting on the ground. Zhou Tuo and I ran towards them and pulled them up whenever we could and shouted: "Just blame me, curse me if you like ..." Some extended their hands, without saying a word.

I was even more worried, shouting: "What's the point of dying here ... how about me dying here ..." I could not think of anything else to say. Some students stood up and said: "Teacher Hou, we don't blame you. Thank you." I could not restrain myself. I cried aloud, pulling at the students.

Before the last group of students stood up, a whole contingent of troops pressed at us from the west like a human wall. They moved in quickly. We were squeezed like water in a bottleneck, barely able to move.

At that time, I felt weak. Two days without any food and all the running and shouting. I could hardly breathe.

Suddenly, our party pressed towards the northwest; several students were shouting: "Don't strike the people!" I saw plain-clothes anti-riot police waving their thick wooden sticks and beating the people on their heads and bodies.

Several students were bleeding. The crowd moved on, stumbling on iron railings that had been scattered on the ground. A whole row of people fell. Those behind fell over them—setting up a chain reaction.

As I edged out of the crowd, I heard Xiaobo calling me. He had lost the three of us and returned to look for us. The other two were no longer with us. I, and one of the sentries, could no longer walk.

Xiaobo took me to a Red Cross post near the History Museum. Only then did I realise that I was suffering from shock, but the sentry who had earlier rescued me had broken his leg.

I looked back again and saw about a dozen students standing near a tank, supporting three people who were covered with blood. More and more people arrived at the Red Cross post.

Xiaobo helped me on to a stretcher. Some people around me were weeping. It was also getting cold. A girl student took off her red coat and put it over me.

About 10 minutes later, Xiaobo told me the crowd had left the square and had reached Qianmen. The Red Cross post was also surrounded by soldiers.

Before I could contemplate my next move, several doctors came up and told me to lie down again. They also covered by head with the coat. They told me to rest.

I lay on the stretcher for more than 90 minutes. When we got to the hospital, it was almost 8 am.

### **Court Sentences Three for Defacing Mao Portrait**

*HK2008072689 Beijing RENMIN RIBAO in Chinese  
14 Aug 89 p 4*

[Article by Xiao Hua (0879 5476): "A Case Drawing Public Attention—Notes on the Court Trial of the Case of Smearing the Portrait of Chairman Mao"]

[Text] It all happened on 23 May this year when there were still thousands of people and hundreds of tents in Tiananmen Square. At about 1400, Yu Zhijian [0060 1807 1017], a school teacher from Tantou Primary School of Dahu Township, Liuyang Country, Hunan, Yu Dongyue [0827 2639 1471], fine art editor of Liuyang Press Office, and Lu Decheng [7627 1795 2052], a worker of the Liuyang branch of Hunan Motor Transportation Company, approached the wall of Tiananmen Tower with huge posters and a pail of paste. First, they put up two reactionary posters on either side of the entrance leading into the Tower, and then Yu Dongyue threw ink bottles and egg shells filled with pigment at the huge portrait of Chairman Mao which was up on the wall of Tiananmen Tower. Meanwhile Lu Decheng ran over and helped in the action. In an instant, the portrait of Chairman Mao was soiled with ink and pigment. Instantly, this roused the wrath of on-lookers; Yu and his gang were caught red-handed.

Beijing Intermediate Justice Court put this case on open trial at 0830 11 July 1989.

At the justice court, the three offenders made detailed confessions of their crime.

When Yu Zhijian, Yu Dongyue and Lu Decheng heard about the turmoil in Beijing, they conspired to organize a "Liuyang Branch of Hunan Delegation in Support of Beijing Students," and planned for a trip to Beijing on 17 May.

In the Post Office at Changsha Railway Station, Hunan, Yu Zhijian read out the essence of a reactionary slogan, while Yu Dongyue wrote it on a scroll of red cloth some 10 feet long, which they hung at the Changsha Railway Station Square.

After their arrival in Beijing, they would mix themselves with the masses participating in demonstrations at

night, they would sleep in Tiananmen Square in the open. On 22 May, Yu Zhijian suggested that they take the portrait of Chairman Mao down from Tiananmen Tower. However, it was too high to reach. Then they consulted with each other and decided to soil it with egg shells filled in with pigment.

The judge asked: "What was your purpose in soiling the portrait?" Yu Dongyue confessed: I believed the Chinese are uneducated. I thought it would be best to stimulate them through our action, so that they might oppose the socialist system.

Lu Decheng made his confession as follows: My only purpose was to destroy the portrait of Chairman Mao. Our one motive was to rouse the masses' awareness. In the debate at the justice court, the public prosecutor sent by the procuratorial organ made a three-point accusation: First, the behavior of the three accused constituted the crimes of counterrevolutionary sabotage, as well as counterrevolutionary propaganda and instigation. Second, the case of the three accused was extremely vicious and serious. And third, the three accused took advantage of the turmoil under way in Beijing to carry out such criminal activities, and the consequences were extremely grave. The justice court was requested to mete out severe punishments to the accused in question.

The three lawyers entrusted by the accused raised no objection to the indictment and believed that the facts defined in it were explicit, while the nature of the case was accurately determined. However, Yu Zhijian's lawyer pleaded for lighter punishment for Yu Zhijian on the grounds of his rather cooperative attitude in making a confession. Yu Dongyue's lawyer believed that Yu Dongyue's crime was not so serious as that of Yu Zhijian; therefore, his punishment should be somewhat lighter. Lu Decheng's lawyer believed that Lu had been an accessory in the case; he proposed to the justice court that lighter punishment be meted out to Lu.

Based on the stipulation of the law, Yu Zhijian, Yu Dongyue, and Lu Decheng each made their concluding statements after the debate. All three pleaded guilty of counterrevolutionary propaganda and instigation, and counterrevolutionary sabotage; at the same time, they expressed the hope for leniency of the government in handling their case.

On 11 August 1989, Beijing Intermediate People's Justice Court passed sentence on Yu Zhijian, Yu Dongyue and Lu Decheng in public.

In complete solemnity of the justice court and dead silence in the gallery, the judge announced: "This justice court believes that the accused Yu Zhijian, Yu Dongyue and Lu Decheng are hostile to the CPC leadership, antagonistic to the government representing the people's democratic dictatorship and the socialist system. They took advantage of the turmoil in Beijing, put up reactionary posters, and delivered reactionary speeches to carry out counterrevolutionary propaganda and instigation. In broad daylight, they soiled the huge portrait of



Chairman Mao hanging on Tiananmen Tower as well as the tower wall to carry out counterrevolutionary sabotage. Their behavior has respectively committed the crime of counterrevolutionary sabotage and that of counterrevolutionary propaganda and instigation. The three accused have conducted counterrevolutionary sabotage, and the nature of their crimes is extremely vicious, and their case serious. They have incurred the greatest public indignation; therefore, they must be severely punished in accordance with the law."

### Beijing Threatens Closure of Private Businesses

HK2408012189 Hong Kong SOUTH CHINA MORNING POST in English 24 Aug 89 p 10

[By Willy Wo-lap Lam]

[Text] Beijing has mapped out plans to cut down non-state-owned enterprises. Diplomatic sources say that one-third of the country's estimated 30,000 private business units, including township enterprises and getihu or individual enterprises, will be closed.

The decision was made following a recent appraisal by the State Council on non-government enterprises. According to economic analysts, the decision to squash the "private sector" was made because collectives and private enterprises are deemed to have drained energy and other resources from the public economy.

Private enterprises have been one of the salient features of the quasi-market economy that former party chief Zhao Ziyang tried to develop. Most private enterprises cluster around coastal cities, the frontline for Mr Zhao's efforts to integrate the Chinese economy with the international market-place.

Since his downfall, however, central planning-oriented cadres in the party and Government have homed in on the "disruptive effects" of private enterprises.

In his talk to the American banker Robert Abboud on Tuesday, Premier Li Peng said that China could not afford to develop a market economy because "many commodities are in short supply" and excessive reliance on market forces will bring about inflation and economic instability.

Beijing has taken three measures to constrict the private sector. The first is to withhold the special privileges that Mr Zhao and his associates gave to township and getihu enterprises. For example, tax holidays of up to three years and more will be withdrawn. Such enterprises will also be denied bank loans and government-controlled raw materials.

Heavy taxes will be slapped on the budding "Red capitalists". This follows well-publicised comments by General Secretary Jiang Zemin and other leaders that private entrepreneurs have got rich through such illegal means as profiteering and tax evasion.

Informed sources say that China's newly strengthened tax departments will start registering the income and properties of individual entrepreneurs.

Thirdly, commercial and police departments will not allow freshly released prisoners to start their own businesses. Classified Chinese statistics have shown that newly released prisoners form a sizeable proportion of getihu.

Unofficially, however, hard-liners in Beijing have sought to drive many private entrepreneurs out of business by linking their commercial activities to economic crimes.

Since the June 4 Tiananmen massacre, central and provincial authorities have launched crackdowns on profiteering and other questionable deals by government and private enterprises.

The CHINA NEWS SERVICE has reported that as an "anti-corruption measure", the provincial government of Jiangsu will "lop off a large quantity" of business units in the area of commerce, foreign trade, and the supply of raw materials.

Analysts in Beijing say that a large proportion of the enterprises being put out of business will be collective and privately-owned.

Chinese sources say that many entrepreneurs in such havens of the private sector as the Pearl River Delta area in Guangdong and the cities of Wenzhou and Shishi have voluntarily liquidated their businesses in anticipation of a crackdown.

### Li Lian Writes on Democracy, Human Rights

HK2408045189 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Aug 89 p 4

[Article by Li Lian (2621 4539 1344): "A Letter Concerning Democracy, Freedom, and Human Rights (on 1 August 1989)"]

[Text] [RENMIN RIBAO editor's note] Recently, Comrade Li Lian, secretary general of the CPC Central Advisory Commission, wrote a letter to the central leading comrades, proposing that scientific exposition be made on the issues concerning democracy, freedom, and human rights from the standpoint of proletariat and the viewpoint of Marxism. The central leading comrades hold that this is a good proposal. Beginning in late 1986, democracy, freedom, and human rights were used as the catchword in the student unrest. A very small number of people with ulterior motives and conspirators aimed at overthrowing the Communist Party and toppling the state and the people's democratic dictatorship. However, most young people involved in the unrest lacked a correct understanding of democracy, freedom, and human rights. It is now very necessary to publish some articles to systematically and scientifically expound these concepts and clarify various muddled ideas. Now, we first publish Comrade Li Lian's letter and hope that

the issues mentioned in his letter will arouse attention from our readers. [end editor's note]

In a recent period, a very small number of advocates of bourgeois liberalization and hostile forces in foreign countries made a big fanfare over "democracy, freedom, and human rights." It seemed to them that they held the "patent" for such things and that such things could be used as their "lethal weapon" for attacking us. However, quite a few people among the masses were perplexed by their demagoguery and it was hard for a time to distinguish true from false and distinguish right from wrong. For some people, it seemed that we were in the wrong.

A few days ago, when meeting with some foreign guests, Comrade Jiang Zemin said: "Our party has been founded for 68 years, and from the very beginning, our party has fought for democracy and freedom." This remark was indeed inspiring. I feel that we should not evade these catchwords but should interpret them according to Marxism with perfect assurance. Thus, we will be able to criticize the erroneous viewpoints, help the people distinguish right from wrong, educate and unite the vast majority of the people, expose and attack the small clutch of people who stubbornly stick to the position of bourgeois liberalization and engage themselves in political conspiracies, and thus develop socialist democracy in real terms.

It is proposed that some theorists inside and outside the party be organized to study these issues. They may write a number of penetrating and convincing articles after studying works of Marx and Lenin and deeply studying the realities at home and abroad. In addition, we can carry out various activities to help the masses use the class viewpoint and the political viewpoint of Marxism to analyze the different contents and essence of democracy, freedom, and human rights under different social systems. Self-education can be conducted among the masses so that they will solve the problems in their minds.

We Chinese communists are not in the wrong when approaching the issues of "democracy, freedom, and human rights." The first batch of Marxists in China, including Li Dazhao, Chen Duxiu, and Mao Zedong, held high the banner of democracy and science in the May 4th Movement. Precisely for realizing democracy and freedom for the Chinese proletariat and the people, they upheld the truth of Marxism and founded the CPC. Over more than half a century, the party led the people to overthrow the three big mountains and abolish the unequal social system which showed contempt for human rights. The party consistently carried out an unremitting struggle to build a New China with independence, freedom, democracy, and prosperity. Communism does not contradict democracy and freedom, but is precisely a triumphant banner that guides the revolutionary people to realize and develop democracy and freedom. The CPC members armed with Marxism-Leninism and Mao Zedong Thought are real democracy fighters.

Our state is a socialist republic of the people, and all powers belong to the people. We have eliminated all exploiting systems and have established a socialist economy with public ownership as the main body, thus laying an economic foundation for the people's democracy. Only on this foundation can our people for the first time become the real masters of the state and the society and enjoy various basic rights in the aspect of democracy, freedom, and human rights within the limits prescribed by the state constitution and other laws. Our people can participate in the management of all state and social affairs in the political, economic, and cultural fields under the people's congress system and through various other channels. Fundamentally speaking, our democracy is much more extensive and advantageous as compared with that in the West.

Of course, we do not deny that the advantages of the socialist system have not been fully brought into play and there are still imperfections in our socialist democracy and our socialist legal system, because our socialist system has not been established for a long time and there are still various defects in our systems and various errors in our work. We admit that such corrupt phenomena as bureaucratism, bribery, and graft still exist to a serious degree, and it is nature that the masses are resentful against these things. However, these evil things are not intrinsic attributes of the socialist system but are things contradicting and violating the essence of the socialist system. We are trying to overcome these evil things in the course of reform. Through reform, we will certainly and effectively perfect democracy and the legal system step by step.

The bourgeoisie in the West likes to boast about "universal democracy" and "absolute freedom." It seems that such things are delicacies that every person can enjoy. As a matter of fact, this is completely a sham. Democracy and freedom in the West may be magnificent on the surface and perfect in its form, but in essence, the degree of democracy and freedom that one can enjoy is dependent on the money or capital one owns. A small number of rich people possess more wealth and can also enjoy more democracy and freedom, but most people who possess less wealth will not be able to enjoy much democracy and freedom. Therefore, democracy and freedom in the West are money's democracy and money's freedom. As Lenin said, their democracy is "a paradise for the rich and a trap and fraud for the exploited and the poor."

In the recent turmoil and revolt, Fang Lizhi, Yan Jiaqi and their cohorts staged a general rehearsal of the Western-style "democracy, freedom, and human rights" that they had advocated for many years. What did their general rehearsal show? It showed that these people completely disregarded the democratic rights and freedom for most people and just tried to trample on the constitution and other laws of the state. They flouted the wishes of the Chinese people, established illegal organizations, attacked the party and state leaders, disturbed the state's diplomatic activities, impaired the state's



image and reputation, disrupted the normal production, work, study, and life order of the masses, endangered social stability and popular unity, and even cruelly killed and mistreated soldiers of the Liberation Army in the soul-stirring revolt when their conspiracies were checked by the martial-law troops. Their aim was to realize "political pluralism," "economic privatization," and "cultural Westernization" in China as they openly advocated. At home, their political schemes relied on the so-called "middle class" which they tried hard to create. If their attempts succeeded, the socialist system under the party's leadership would have been subverted, the Chinese people would have again been thrown into the abyss of suffering, and the democratic rights and freedoms enjoyed by the people? achievements of the Chinese revolution, construction, and socialist transformation would have all been ruined. Of course, the Chinese will never allow this to happen. We resolutely checked the turmoil and quelled the revolt precisely for the purpose of protecting the people's democracy and freedom. Through practice and education, the people will more deeply realize these basic facts in history.

Li Lian

1 August 1989

#### **Northern Regional Leaders Discuss Ideological Work**

SK1898133589 Hohhot Inner Mongolia Regional Service in Mandarin 1030 GMT 10 Aug 89

[Excerpts] The fourth joint meeting of responsible persons of ideological and political work research societies of the northeast, north, and northwest regions opened in Baotou this morning.

(Zhao Jinhua), vice president of the All-China Ideological and Political Work Research Society, and (Li Panhua), Information Bureau of the Propaganda Department of the CPC Central Committee, Zhang Dinghua, deputy secretary of the Inner Mongolia regional party committee, and Wuyunqimuge, director of the Propaganda Department of the Inner Mongolia regional party committee, and (Yang Jianhua), responsible person of the Ideological and Political Work Research Society of the Ministry of Metallurgical Industry, attended the meeting. [passage omitted]

Zhang Dinghua gave a speech at the meeting. He said: This meeting is being held at a good time. In late June, our party held the 4th Plenary Session of the 13th CPC Central Committee, which was of great historical significance, and put forward that one of the most important tasks, that we must pay special attention to grasping well at present, is conscientiously strengthening ideological and political work. In mid-July, the Propaganda Department of the CPC Central Committee held a conference of directors of Propaganda Departments throughout the country, and emphatically pointed out that at present, the tasks for ideological and political work are to study and publicize the guidelines of the Fourth Plenary Session and Comrade Deng Xiaoping's important speeches,

conduct thorough education on adhering to the four cardinal principles and opposing bourgeois liberalization, and unify the thinking of the whole party and the people throughout the country. In late July, the Political Bureau of the CPC Central Committee also discussed and adopted the circular of the CPC Central Committee on strengthening publicity in ideological work. We have convened the fourth joint meeting under such a situation, during which we will exchange experiences in carrying out ideological and political work among workers, study the new situation and probe new problems, and sum up some systematic things. This is important, and will play an active role in enabling us to broaden our fields of vision, unify the trend of thought, learn from others' strong points to offset one's weakness, achieve common improvements, and promote the deep progress of ideological and political work in the future. Zhang Dinghua pointed out: Ideological and political work has long been one of the most essential components of our party's overall work. Concerning its extreme importance, Comrade Mao Zedong gave a speech and Comrade Deng Xiaoping made a careful analysis. Particularly around the period of the 4th Plenary Session of the 13th party Central Committee, the party Central Committee and Comrade Deng Xiaoping explicitly expounded on the guiding ideology, fundamental tasks, leadership system, and the purpose of study of the ideological and political work, the relationship between ideological and political work and the party's ideological construction, and the building of political work organs and political work contingents.

Through this meeting, we should conscientiously study and understand these guidelines and implement them in our practical work.

#### **Article Analyzes Liberalization Consequences**

HK2108064889 Beijing LIAOWANG in Chinese No 32, 7 Aug 89 p 31

[Article by Shao Yu (6730 1342): "The Evil Consequences of Liberalization and the Responsibility of Literature and Art Workers"]

[Text] I.

For a time in the past, people in literature and art circles seldom mentioned or did not mention at all the problem of literature and art serving the people and socialism. The policy of letting a hundred flowers blossom and a hundred schools of thought contend was replaced by bourgeois liberalization. In the political, economic, and cultural fields, this policy was replaced by "diversification." The bourgeois extreme individualist theory that art should "belong and return to art itself" caused a clamor. The hackneyed tune of "following one's own feelings..." was rampant. Works such as "Waiting," "Selling Fish," "Selling Shrimps" and "Incubation" were displayed in the Chinese Art Museum. Dispirited, decadent, obscene, and even reactionary publications were openly sold at newspaper stands and remained

uncriticized. The Chinese nation, which has long-standing cultural and revolutionary traditions, was vilified as a nation that wagged its tail in front of "blue civilization" [lan se wen ming 5663 5331 2429 2494] because it had found itself in a "blind alley." The spread of the ideological trend for overall Westernization has resulted in some people betraying China and surrendering themselves to capitalist countries.

People gradually realized General Secretary Comrade Zhao Ziyang's real intention in "weakening politics and the party's work." Slackening in ideological and political work and resisting the four cardinal principles could lead to capitalist restoration. The recent counterrevolutionary rebellion served as a living example paid for in blood. II.

Where is the political superiority of revolutionary literature and art workers? In the final analysis, it lies in their lofty Marxist ideal and their devoted spirit to fight for this lofty ideal. To put it more specifically, the present education in loving the socialist motherland constitutes a part of fostering this spirit. This spirit is an example of lofty and advanced morality and can change into a powerful force that helps transform man and society and produce materials. An example was our victory in the struggle against a powerful enemy and in building a socialist New China. This lofty spirit also serves as a spiritual pillar in implementing the principle of "one center and two basic points." This spirit is diametrically opposed to bourgeois egoism. Bourgeois liberalization advocates asserted that their "theories" and "works" were "advanced" and that "these would be understood by people in the future..." But facts have proved that their theories and works were short-lived and had no future.

Needless to say, we should oppose seclusion and rigidity, overcome backwardness, cater to the times, and accept and assimilate all the beneficial parts of foreign science. Obviously, we should further carry out reform and open up to the world. Facts have proved that our reform and opening up to the world are restricted by the position in which we place Marxism and socialism. The idea that "mud and sand will inevitably be carried along" in the course of reform and opening up to the world does not hold water. The spread of bourgeois liberal ideas has been due to the laxity of education in Marxism, in revolutionary traditions, and in loving the socialist motherland, and has been the result of overlooking the four cardinal principles.

Therefore, it is necessary to strengthen political and ideological work, to improve the people's and cadres' political and ideological quality, to immunize the people against decadent ideas in the course of reform and opening up to the world, and to enhance their ability to resist and criticize all hostile ideologies.

Literature and art workers shoulder the lofty responsibility and mission of improving the people's quality in the course of carrying out political and ideological work. Therefore, it is imperative to strengthen leadership over

literature and art work, to improve the quality of literature and art workers, and to build a firm and revolutionary literature and art contingent. All this is important to correctly implementing the policy of "serving the people and socialism and letting a hundred flowers blossom and a hundred schools of thought contend."

Through the recent counterrevolutionary rebellion, a literature and art worker should understand more profoundly the serious harm bourgeois liberalization has caused to literature and art circles, and should create more and better works to remove the garbage of bourgeois liberalization from the literature and art fields.

### Democracy Association Meeting Opens

OW2208101289 Beijing Domestic Service in Mandarin  
0930 GMT 16 Aug 89

[From the "National Hookup" program]

[Text] The Third Enlarged Meeting of the Eighth Central Committee of the China Association for Promoting Democracy opened this morning in Beijing.

Lei Jieqiong, chairman of the Central Committee of the China Association for Promoting Democracy, presided over the meeting. She said: Organs of the China Association for Promoting Democracy, as assistants to the CPC, withstood a rigorous test in the struggle to stop the turmoil and quell the riots. They held fast to the glorious tradition of standing together with the CPC through thick and thin and sharing weal and woe. The CPC Central Committee and State Council have decided to carry out seven tasks about which the masses are concerned in the near future. This is a wise decision enjoying the ardent support of the people. The China Association for Promoting Democracy is greatly inspired by this decision and wholeheartedly supports it.

Lei Jieqiong pointed out: The China Association for Promoting Democracy will, as always, uphold the four cardinal principles as the foundation of the nation, pursue reform and opening to build China into a powerful nation, and further strengthen and develop unity and cooperation with the CPC.

Lei Jieqiong urged comrades attending the meeting, in line with the guidelines of the CPC Central Committee and in connection with the actual conditions of the association, to offer ideas and suggestions and earnestly discuss arrangements for work in the second half of 1989.

### Commentator Stresses Theoretical Work

OW2308062489 Beijing GUANGMING RIBAO  
in Chinese 10 Aug 89 p 1

[Commentator's article: "It Is Necessary To Pay Attention to and Strengthen Theoretical Work"]

[Text] Theoretical work is basic work. It is capital construction in the party's ideological sphere. While

studying and publicizing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speeches, it is of particular importance and far-reaching significance that we seek unity of thinking among all party members and people across the country, deepen education in upholding the four cardinal principles and opposing bourgeois liberalization, and pay attention to and strengthen theoretical work.

Theoretical work includes theoretical study, theoretical propaganda, and theoretical education. To deepen education in upholding the four cardinal principles and opposing bourgeois liberalization, we must pay attention to and strengthen this work. Education in upholding the four cardinal principles and opposing bourgeois liberalization must not only be to solve problems in a perfunctory manner, but also to go deep into them step by step; and to go deep into and solve problems thoroughly, we must concentrate efforts on theory. Confusion in our social life reflects confusion in our thinking, and confusion in our thinking reflects, in the final analysis, confusion in our theory. Over the past few years, bourgeois liberalization has been running wild. This is precisely because we have deemphasized, been skeptical about, and even deviated from Marxism. At present, the important political task facing the whole party is to strengthen the study, propaganda, and research of Marxist theory; to sweep away the dense fog that blurs theory; and correct the ideological and theoretical problems created by the ideological trend of bourgeois liberalization. We must take measures to carry out thoroughgoing reform, and thereby seek unity of thinking and understanding among people, and create a good media environment and scientific theoretical support in order to uphold the four cardinal principles, reform and open to the outside world, improve the economic environment and rectify the economic order, promote economic development, and promote spiritual civilization.

To solve the question of bourgeois liberalization in a thorough way, we must organize theoretical workers to seriously clean up and study the various erroneous viewpoints which emerged in the turmoil and amid the rampant bourgeois liberalization in the past few years, and write some convincing articles on certain topics to support the right theories and correct the erroneous ones. These articles must not only analyze thoroughly and criticize and refute strongly those speeches which directly oppose the four cardinal principles and are tainted with bourgeois liberalization—that is, those various fallacies which negate socialism, oppose party leadership, call for abolishing the people's democratic dictatorship, and slander Marxism—but also make an in-depth analysis of the theoretical and ideological basis of bourgeois liberalization and, in terms of world outlook, concept of history, outlook on life, value concept and methodology, expose those theoretical and ideological foundations which promote bourgeois liberalization. Furthermore, theoretical workers must also follow Marxism as a guide, base themselves on China's realities,

and thoroughly study the new problems that arise in making reforms, opening to the outside world, and promoting modernization. In theoretical study, it is necessary to continue encouraging emancipation of the mind and bold exploration. Theoretical workers must, on the basis of upholding the party's basic line, soberly consider the past as well as the future, adhere to what is correct and correct what is wrong, and strive to achieve better results in research.

The question of strengthening theoretical propaganda is in essence a matter of using Marxism to take over the media. If Marxism (as the ideological system of the proletariat) fails to take over the ideological and media fronts, bourgeois ideology and other nonproletarian ideologies will prevail in them. Over the past few years, we have slackened our efforts in ideological and political work and weakened Marxist theoretical propaganda. As a result, the ideological trend of bourgeois liberalization used the opportunity to enter our society. The proletarian ideological trend and various nonproletarian ideas have become rampant and caused the outbreak of the turmoil and counterrevolutionary rebellion. We must bear firmly in mind this incisive lesson. Therefore, strengthening Marxist theoretical propaganda and using the proletarian ideological system to take over the various ideological and media fronts have become our theoretical workers' urgent task. To fulfill this task, theoretical workers must keep to the principle of integrating theory with practice and theoretically answer those problems people are interested in and need to clearly understand. There must be no mistake as to what theoretical propaganda should be aimed at. It must be deep-going and lively, so that the masses can easily understand and happily accept it. It is a branch of learning in itself. The vast number of theoretical workers must use their brains, strive to find new ways for theoretical propaganda, and make new contributions to doing well in theoretical propaganda.

Currently, the problem of strengthening education in Marxist theory still remains to be solved. What particularly merits attention is the question of theoretical education among middle and high-ranking cadres and young students. If middle and high-ranking cadres are not familiar with or know only a little about Marxism-Leninism-Mao Zedong Thought, they will be incompetent for leadership. It is necessary to draw up plans, adopt measures, and establish a system to strengthen education in basic Marxist theory and in the party's line, principles, and policies set forth since the 3d Plenary Session of the 11th CPC Central Committee among middle and high-ranking cadres and cadres engaged in ideological work. Only by so doing can we do well in both economic development and ideological and political work, and in promoting both material civilization and spiritual civilization. It is necessary to strengthen and improve education in basic Marxist theory in institutes of higher learning. Over the past few years, Marxist courses have been deemphasized in institutes of higher learning. The situation of teachers of Marxist theory not



receiving the respect they deserve must change. In training undergraduates and graduate students of any speciality, particularly those majoring in liberal arts, institutes of higher learning must put education in basic Marxist theory in an important position. Courses in basic Marxist theory in institutes of higher learning, in content as well as in form, leave much to be desired. However, this is no justification for deemphasizing such courses. On the contrary, the problem should be solved conscientiously by carrying out reform in teaching under the premise of strengthening education in basic Marxist theory.

To do well in Marxist theoretical research, propaganda, and education, we must step up the building of the contingent of Marxist theoretical workers. It is necessary to bring into full play the guiding role of those theoretical workers of the older generation who have made great achievements in developing Marxist theory. In addition, it is necessary to actively look for and train qualified middle-aged and young people and continuously organize and temper theoretical workers through practice. It is necessary to continue to implement the policy of letting a hundred schools of thought contend, advocate seeking truth from facts and observing the truth, and hold comradely discussions and debates. On the basis of keeping to the party's basic line, that is, by pursuing one central task and two basic points, we must promote unity among theoretical workers.

#### **Ideological Workers Discuss Shekou Disturbance**

*OW2308063689 Beijing Domestic Service in Mandarin  
2130 GMT 22 Aug 89*

[From the "News and Press Review" program]

[Text] The long newsletter entitled "Why Did They Create the Shekou Disturbance?" published by ZHONGGUO JIAOYU BAO [CHINESE EDUCATION JOURNAL] on 8 August has drawn the attention of many comrades. For this reason, the Editorial Department of the journal recently called a meeting of ideological and political workers of some universities and colleges and relevant leading departments in Beijing to discuss the issue.

He Dongchang, vice minister in charge of the State Education Commission, said at the meeting: Bourgeois individualism and money worship, which have a very strong corrosive influence on young people, were advocated during the Shekou disturbance. Those who uphold bourgeois individualism are most susceptible to liberal ideas of the bourgeoisie, and worship of capitalism will certainly lead to national betrayal in the long run. The crux of the matter lies in whether we should oppose ultra-individualism and money worship and whether we should uphold socialist ideological and political work.

He Dongchang stressed: Proponents of bourgeois liberalization always try to vilify ideological and political work by various means, including theories, the press, literature, and art.

He said: Ideological and political work is an heirloom of our party. Without it, we cannot possibly build a highly civilized, democratic, and developed socialist country on the basis of a relatively undeveloped country. The problem of our ideological and political work in recent years was essentially our failure to take a clear-cut stand in combating bourgeois liberalization. This is the crux of the issue.

In his speech, Teng Teng pointed out: When we reexamine the Shekou disturbance today, we can see that its spearhead was not directed at Qu Xiao and several other comrades. They were only used as an excuse for discrediting and weakening ideological and political work and even eliminating it. The disorder caused by the disturbance is serious, and the mess should be earnestly cleaned up.

The so-called Shekou disturbance, which occurred in early 1988 and which shocked the whole country, is still fresh in the minds of the attendees. Some comrades said that people who created the disturbance maintained that ideological and political work was nothing but platitudinous preaching. These people attacked ideological and political workers as preachers and slick talkers, and during the period when Comrade Zhao Ziyang worked at central departments, they sought to weaken the role of the party and went everywhere to propose that ideological and political work be reformed. In this way, they tried to discredit this fine tradition of the party. The Shekou disturbance and Zhao Ziyang's speeches, as well as the liberal ideas of the bourgeoisie, which spread and became a disaster in recent years, are closely associated.

Some comrades pointed out that, flaunting the banner of modernizing people's minds and renewing their thinking, the creators of the Shekou disturbance peddled the theory that capable people were people who could make money, who could earn money, and who wanted to make money. They said that this mentality was historical progress. These people guided the young people to put themselves at the center, plan their own careers, realize their personal values, and whenever there was something in their personal interest, not to give a damn about state or collective interests, the need to serve the people, or even the dignity of the state and themselves. Such thinking and the liberal ideas of the bourgeoisie can be traced back to the same origin, both of which are highly poisonous to young people.

#### **Leaders Stress Handling of Letters, Visits**

*OW2408062789 Beijing XINHUA Domestic Service  
in Chinese 1402 GMT 20 Aug 89*

[By reporter Chen Yan; "Local Broadcast News Service"]

[Text] Beijing, 20 Aug (XINHUA)— The meeting of bureau chiefs and office directors, from 10 provinces and municipalities, in charge of the reception of letters and visits from the masses ended today in Beijing. At the meeting, the important opinions of Jiang Zemin, general

secretary of the CPC Central Committee, and Qiao Shi, member of the Standing Committee of the CPC Political Bureau, on the reception of letters and visits from the masses, were relayed.

Comrade Jiang Zemin pointed out: Reception of letters and visits from the masses is an important means through which our party and government develop democracy, observe public feelings, and keep in touch with the masses. Currently, to better implement the guideline of the 4th Plenary Session of the 13th CPC Central Committee, party committees and governments at all levels should enhance leadership over the work of reception of letters and visits from the masses and make it play a bigger role in the course of strengthening the building of socialist democracy and the legal system, as well as in bringing about a closer relationship between the party, government, and the masses.

Comrade Qiao Shi pointed out: Reception of letters and visits from the masses is important in bringing about a close relationship between the party, government, and the masses. To ensure an open channel, we must carefully look into problems reflected by the masses. To know the nature of the problem and to give it a proper solution, we should also coordinate with relevant departments and localities.

The meeting was convened by the Bureaus in Charge of Reception of Letters and Visits from the Masses under the General Offices of the CPC Central Committee and the State Council on 16 August in Beijing. Comrades from 10 provinces and municipalities of Beijing, Tianjin, Shaanxi, Sichuan, Shanxi, Shandong, Jiangsu, Hubei, and Liaoning attended the meeting.

During the meeting, comrades earnestly studied the important opinions of Comrades Jiang Zemin and Qiao Shi; introduced their implementation of the demand made by Comrade Li Peng this March, calling for the work of reception of letters and visits from the masses to help "contribute to the ever lasting peace in our country;" exchanged experience on this work during the struggle to stop the unrest and quell the rebellion; and particularly studied the problem of how to make the work serve the implementation of the guideline of the 4th Plenary Session of the 13th CPC Central Committee.

A responsible comrade from the General Office of the State Council attended the meeting. He pointed out: During the recent unrest, comrades working at the departments in charge of reception of letters and visits from the masses supported the line of the CPC Central Committee; and, according to arrangements made by the party committees and governments, they, standing in the forefront of the struggle, did a great deal of work selflessly, and fearlessly passed the test.

The meeting stressed: Comrades engaging in the work should earnestly implement the guideline of the 4th Plenary Session of the 13th CPC Central Committee and the opinions and requirements of the central leading comrades; uphold the four cardinal principles; help in

stabilizing the situation; devote more time to helping to solve grassroots problems; help maintain social order in Beijing, the capital, and other areas; do a good job in promoting clean government; seriously handle problems reported by the masses; attach importance to positive criticism and suggestions they make; guide the enthusiasm of the masses to socialist construction; and handle the practical problems of the masses in accordance with the policies and relevant laws and regulations of the party and the state.

#### Central Party School Holds Marxism Seminar

HK2308100289 Beijing RENMIN RIBAO in Chinese  
18 Aug 89 p 4

[Report by reporter Xiao Jiabao (5618 1367 0202): "Central Party School Holds Graduates' Seminar on Marxism and Contemporary Chinese Reality"]

[Text] Beijing (XINHUA)—Graduates of the CPC Central Party School's training class opened the first seminar on continuing education on 15 August. More than 300 graduates from various parts of the country returned to their alma mater to take part in a theoretical discussion on the subject of "Marxism and contemporary Chinese reality".

Speaking at the opening ceremony, Xue Ju [5641 7467], the new incoming vice president of the Standing Committee, said that a review of Marxist theory and a study of the new conditions and new problems under the new situation form an important part of the work of our party cadres today. An understanding of Marxism requires a process of understanding, practice, re-understanding and re-practice. With regard to the education of cadres, a process of work, education, re-work and reeducation are also necessary.

Xue Ju maintained that the criticism of bourgeois liberalization should be concentrated on four aspects: pluralism in political matters, privatization in economic matters, liberalization in ideological matters, and undesirable thinking in ethical matters, such as selfishness and greed. He expressed the hope that a fine style of study and an attitude of seeking truth from facts will be fostered in the course of the criticism, and that facts will be respected, the truth will be upheld, and the manner of criticism will be given due attention.

#### More on New Rules for Graduate Employment

HK2308041789 Hong Kong HONGKONG STANDARD  
in English 23 Aug 89 p 6

[By Tammy Tam]

[Excerpt] Graduates from China's universities and colleges will be refused jobs in party and government departments above the provincial level unless they have worked for at least two years in low-level jobs.



A State Education Commission official, who declined to be named, said yesterday the new regulation was intended to force graduates to get more social experience.

They will be expected to work in factories, local government positions or other low-level jobs.

"Most of them entered universities directly upon high school graduation and know little about society," said the official.

The new regulation, approved by the Central Committee of the Communist Party and the State Council last month, has been relayed to party and government institutions across the country.

The official said the State Education Commission issued a similar regulation in 1985, requiring graduates assigned to important institutes to undergo a year of training.

Another official said graduates' prospects of a better job at the end of their stint would depend on their performance.

"(It) does not necessarily mean that it is 100 percent sure that after working at the grassroots level for two or three years they will get promoted. It depends on their work and most importantly their political stand," said the official, in charge of education and cultural works.

"One important criterion for judging the right candidate will be based on their insistence on the four cardinal principles."

The four principles—leadership of the Communist Party; Marxism, Leninism and Mao Zedong thought; socialism and the people's democratic dictatorship—are the core of Chinese communism.

He said that graduates assigned to new communities would have to register as residents there, giving up their valuable official status as city-dwellers.

The regulations apply to all graduates since 1985.

Those who have already been assigned to party and government organisations will have to give up their positions and obtain jobs providing practical experience.

The official said student-led unrest last spring showed that although the country needed the knowledge of graduates, it also needed a firmer political stand.

Official figures indicate more than 2.8 million students from more than 600 universities in 84 cities took part in the movement.

The new measure is an apparent effort by the government to train a corps of ideologically orthodox successors to the hardline leadership now in power.

College students, especially graduate students, are popular candidates for the "third tier", a favourite term of

former party chief Hu Yaobang, who used it to praise rising young political forces.

In recent years, university graduates have been vigorously sought by party and government organisations in a bid to improve the intellectual image of the government.

Since the unrest, however, ideological control is seen by Beijing's leaders as more important than knowledge alone.

"It is necessary and it will benefit the students for them to have some work experience before they are assigned to high-level institutes," said a Beijing University official. [passage omitted]

### Culture Official Addresses National Conference

OW2208132189 Beijing XINHUA in English  
0950 GMT 22 Aug 89

[Text] Beijing, August 22 (XINHUA)—A national conference on cleaning up "cultural markets" opened here today.

"Cultural markets" refers to book, cassette and video publication, show business and the sale of cultural relics.

In his opening speech, Gao Zhanxiang, vice minister of culture, said that the recent campaign in various parts of China to rectify the cultural market with the focus on eradicating pornographic books and videotapes has been successful.

One of the tasks of the conference, Gao said, is to sum up the experiences of the campaign and to discuss how to deepen it according to relevant policies of the Communist Party.

The conference will also discuss measures to strengthen the management of the cultural market, including improving the managerial system, establishing crack-down teams and perfecting relevant laws and regulations.

Another important task of the conference is to discuss how to further make the cultural life of the people flourish.

The vice minister called on all culture workers in China to make greater efforts to bring about a renaissance in the country's cultural life and help create a happy and harmonious atmosphere at the 40th anniversary of the founding of the People's Republic of China, which falls October 1.

About 120 culture officials from all the provinces, autonomous regions and municipalities, and officials from relevant central party and government departments are attending the five-day conference.

### **Nationwide Media Cleanup Campaign Underway**

OW2208013689 Beijing XINHUA in English  
1448 GMT 21 Aug 89

[Text] Beijing, August 21 (XINHUA)—Pornographic and violent publications are seldom seen on the market nowadays as a result of a one-month battle, a spokesman for the Press and Publications Administration of China said here today.

The spokesman said that a nationwide fight to curb publications full of "reactionary ideas", pornography, violence and superstition has been going on since mid-July when the administration issued an urgent circular to clean publication market.

So far concerned departments have sent out 65,000 people to examine 40,000 distribution networks in 26 provinces, municipalities and autonomous regions, closing several thousand bookstands and confiscating more than 2.66 million copies of books and magazines and 90,000 pornographic and unregistered video-tapes.

Some offenders have been detained by the police.

### **Professor Urges Reliability Test for Journalists**

OW2408064489 Beijing Domestic Service  
in Mandarin 2130 GMT 17 Aug 89

[From the "News and Press Review Program"]

[Text] Xu Zhen, president of the Institute of Journalism of Fudan University recently told reporters that journalism departments in universities must send only politically reliable talent to the press.

Professor Xu Zhen said: First of all, politically reliable talent must be of good, political quality, be able to uphold the correct political orientation and conscientiously exercise their role as the party's eyes, ears, and mouthpiece when they assume their posts later on.

Xu Zhen said: Graduates of journalism institutes are the reserve force of socialist journalism. They would use the wrong ideologies to influence others when they join society if a sound foundation were not cultivated in them, if they fail to understand whom they are serving, or if they accept the erroneous views of bourgeois liberalism.

He said: I have a student. As a member of the team participating in a university student debate in Singapore, his sound reasoning and debating skills enabled him and his teammates to defeat the Taiwan universities team. Afterwards, an exception was made by the institute to admit him as a postgraduate student. But, at a critical moment during the national upheaval, he announced on campus his intention of leaving the party and broke away from the party organization which had nurtured him. Now, he is officially expelled from the party. The reason why this young man had committed such a political error is closely related to his neglecting the study of Marxism,

Leninism, and Mao Zedong Thought and the influence of bourgeois liberalism ideas in recent years.

Professor Xu Zhen proposed: We must conduct education on the basic theories of Marxism and Leninism, the basic knowledge of humanities, social and natural sciences, and the basic functions of socialist journalism among the students of journalism.

Xu Zhen said: In recent years, students in my institute have also been greatly affected by the flood of bourgeois liberalistic ideas, and some of the bourgeois liberal views of journalism. When we say that newspapers are the eyes, ears, and mouthpiece of the party, government, and people, some people say sweepingly that the news media have obliterated enthusiasm. When we say the press should publicize the general and specific policies of the party, some people stress only the so-called social tastes, and even regard public taste as the starting point and end-result of newspapers. When we speak of the principle of party spirit in the press, some people say the human spirit transcends party spirit.

He said: During the upheaval, some people again raised the issue of so-called freedom of the press. In a class society, there is no such thing as freedom of the press transcending classes. Regarding the press freedom advocated by certain people, does it mean the freedom to oppose important policy decisions of the party Central Committee, and to instigate the overthrow of the legitimate Government?

Professor Xu Zhen stressed: We must step up education on Marxist and Leninist theories for students, form in them the revolutionary outlook on life and methodology, increase instruction in history to enable them understand the situation in China, and promote education on the need to always carry out the party's theories, traditions, and professional ethics in journalism.

### **Ministry Outlines Anticorruption Campaign**

#### **New Laws Detailed**

OW2208055589 Beijing XINHUA Domestic Service  
in Chinese 1206 GMT 21 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 21 Aug (XINHUA)—Building clean government is getting institutionalized in China, as the country enacts laws, rules, and regulations to combat and prevent corruption and promote clean government.

According to sources, the Ministry of Supervision is stepping up the enactment of a series of laws, rules, and regulations, including "Regulations of Supervision of the People's Republic of China," "Interim Regulations Governing Administrative Disciplinary Measures Against Functionaries of State Administrative Organs for Dereliction of Duty and Malfeasance," "Interim Regulations Governing the Declaration of Property and Income by Functionaries of State Administrative Organs," and

"Detailed Rules for the Enforcement of Interim Regulations on Administrative Disciplinary Measures Against Functionaries of State Administrative Organs."

In addition, pursuant to the instruction of the party Central Committee and the State Council, the Ministry of Supervision is coordinating with the departments concerned in drafting other rules and regulations, including "Several Regulations Governing Private Housing Construction, Renovation, and Repair by Functionaries of State Administrative Organs," "Several Regulations on Prohibiting Spouses of Leading Party and Government Cadres at the Provincial (Ministerial) Level, Their Children, and Spouses of Their Children from Engaging in Business Activities," "Several Regulations on Prohibiting the Use of Public Funds To Entertain Guests and Purchase Gifts in All Official Domestic Activities." Supervision organs in various localities and departments are also assisting their local governments and departments in enacting relevant laws, measures, and rules and regulations to promote clean government and efficiency on the part of local administrative organs and their functionaries.

#### Investigation Centers Formed

OW2208061789 Beijing XINHUA Domestic Service in Chinese 1214 GMT 21 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 21 Aug (XINHUA)—A network of corruption investigation centers affiliated with supervision departments has, by and large, taken shape, and the people have begun to exercise effective supervision over government organs and state functionaries.

According to incomplete statistics, in the first 6 months of 1988, supervisory departments across the country received 109,901 accusations through letters, visits, and by telephone, of which 82,175 were within the scope of the jurisdiction of the supervisory organs. Currently, the supervisory organs have placed 13,159 accusations on file for investigation and completed investigations of 8,600 of the accusations. A total of 1,866 corrupt cadres received administrative sanctions, and some were referred to judicial departments for investigation of their criminal responsibility.

In the first half of 1989, the Ministry of Supervision began investigating more than 300 accusations involving discipline violations by cadres at and above department or bureau level. This figure is roughly equivalent to the total of cases involving cadres at and above department or bureau level investigated by the ministry during 1988. It has been learned that, currently, more than half the 20 or so major cases given top priority by the ministry have been completed or are near completion.

#### Crime Statistics Detailed

OW2208013789 Beijing XINHUA in English 1452 GMT 21 Aug 89

[Text] Beijing, August 21 (XINHUA)—China has formed a network of 1,417 criminal-reporting centers at county level and higher for supervision of government work by the people.

According to the Ministry of Supervision, the network received letters, visits and telephone calls involving 109,902 cases in the first half of this year.

Of the 13,159 cases handled, 8,600 have been wound up and 1,866 government officials who have been found guilty have received different administrative punishments.

A ministry official said about one half of the cases involved embezzlement, bribery, power abuse, blackmail and profiteering.

#### Song Jian Inspects Gansu Flour Mill

HK2108150189 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 20 Aug 89

[Excerpts] Song Jian, state councillor and minister of the State Scientific Commission, pointed out that it is necessary to bring science and technology into play in developing industries relating to agriculture, and that it is necessary to upgrade the quality of agricultural products, so that the prices of agricultural products can be raised by several times and tens of thousands of peasant households will benefit from it.

Comrade Song Jian made this remark yesterday morning during a visit to a flour mill in Neiguan Town, Dingxi County. [passage omitted]

Having visited the flour-processing workshop of the mill, Comrade Song Jian said: This is an industry based on agriculture. As this industry is free of pollution and raw materials are in ample supply, it is a highly promising line of production to be vigorously developed. Comrade Song Jian told the plant director: You should employ some experts to make a survey and recommend some suggestions for technical improvement; you should also develop more high-grade products, such as protease and fructopyranose. In this way, you will be able to raise the prices of your products.

Yesterday morning, Comrade Song Jian and Comrade Jiang Minkuan, vice minister in charge of everyday operations of the State Scientific Commission, also visited the Gansu Nonwoven Carpet Factory, in the company of Han Zhengqing, member of the Standing Committee of the Gansu provincial party committee; (Zhang Xuezhong), vice governor; and responsible comrades of the provincial Scientific Commission and the Dingxi prefectural party committee. [passage omitted]



### Leaders' Stress Concern for Huangdao Oil Fire

OW2208015589 Beijing XINHUA in English  
0042 GMT 22 Aug 89

["Hot Line Between Seat of Central Authorities and Flaming Oil Depot"—XINHUA headline]

[Text] Qingdao, August 22 (XINHUA)—At 9:55 am on August 12, lightning struck an oil tank and caused an explosion at the Huangdao oil depot, a terminal in the port city of Qingdao for the Shengli oilfield in East China's Shandong Province.

Hardly did the news reach Zhongnanhai, the residence of the Central Committee of the Chinese Communist Party and the State Council, when a hot line between Zhongnanhai and Huangdao was established.

Jiang Zemin, general secretary of the CPC Central Committee, telephoned leaders in Qingdao three times to ask about progress in fighting the fire. Premier Li Peng arrived at the scene by air on the following day.

At almost midnight when General Secretary Jiang Zemin first heard of the incident, he immediately telephoned government leaders in Qingdao. Qin Jiahao, vice-mayor of Qingdao, gave a brief account of the dangerous situation in Huangdao.

Jiang Zemin inquired about the cause of the fire and asked whether there was a lightning rod or if the rod did not function properly. Vice-Mayor Qin replied that it was said to be ground lightning which the rod could not deal with.

When he was told that oil was leaking from some of the tanks, Jiang Zemin instructed the Qingdao government to mobilize people to stop the leaking to prevent the fire from spreading. He also asked with great concern about casualties.

In order to stay informed of the situation, General Secretary Jiang Zemin took note of the direct telephone number of the fire-fighting headquarters—0532-286037.

Several minutes later at 12:07 am on August 13, Jiang Zemin directly telephoned the headquarters at Huangdao, to inquire about the current situation.

At 11:00 am on August 13, Yu Zhengsheng, vice-mayor of Qingdao, received another call from Jiang Zemin asking him to convey the regards of the Party Central Committee to the people fighting the fire.

Premier Li Peng decided to go to the scene by air. At 10:00 am on August 13, Premier Li Peng together with Luo Gan, secretary-general of the State Council, and Huang Yicheng, minister of energy resources, took off from Beijing by military plane. Before touching down at Qingdao, the plane circled above Huangdao to give Premier Li and his company a bird's-eye view of the overall situation.

After listening to a brief account by Liu Peng, party secretary of Qingdao, Li Peng said from the plane it could be seen that the No. 1, 2, 3, 4 and 5 oil tanks in the old area were all burning. It was important to prevent the fire from spreading to the new area, he stressed.

Accompanied by Jiang Chunyun, party secretary of Shandong Province, Premier Li Peng arrived at the fire-fighting headquarters on Huangdao by ship at 2:30 in the afternoon. After listening to a report by Guo Songnian, mayor of Qingdao and head of the fire-fighting headquarters, Li Peng decided to go to the fire-fighting front, although Mayor Guo advised him to go to the top of the headquarters building instead of the scene.

On arriving at a spot which was only about 20 meters away from the fire, Li Peng was deeply moved by the fire fighters who were making every effort to put out the fire. He shook hands with one after another and said to them with deep feelings: "You comrades have been working hard."

Back from the scene, Premier Li ordered the fire fighters to continue to work indomitably to protect the oil docks. He said that the priority at the time was to fight the fire and the next step was to draw a lesson from the incident.

Premier Li Peng also showed great concern for the fire fighters. On behalf of the Party Central Committee and the State Council, Li Peng saluted those who had participated in fighting the fire, grieved over those who had died, and expressed his heartfelt condolences to the families of the deceased. He also instructed that all efforts be made to put out the fire, to resume production as soon as possible and to carefully look after the wounded.

When Premier Li Peng came back to Beijing and heard that the fire had been put out, he was very glad. On the evening of August 18, he cabled his congratulations to the leaders of Shandong Province.

### Railways Ministry To Combat Misconduct

OW2008172989 Beijing XINHUA in English  
0935 GMT 20 Aug 89

[Text] Beijing, August 20 (XINHUA)—In a major effort to intensify railway transport management, the Chinese Ministry of Railways today announced a series of measures to deal with the malpractices existing in the railway departments with cargo trains and passenger tickets on top of the list, XINHUA learned here today.

Complaints have been concentrated on the misconducts in the management of the cargo trains and passenger train tickets which people find hard to get.

The ministry said here today that it will introduce a system of collectively approving plans for using cargo trains so as to avoid malpractices such as profiteering and smuggling by exploiting the strains on the transport service.

Passenger ticket sale will be regularly publicised starting September 1.

In another move, the ministry banned the marketing activities of ministers and vice-ministers, their daughters and sons-in-law in the fields of commodity distribution. Those mentioned will also be devoid of any engagement or post in such activities or companies relevant to goods distribution.

Cadres will not be allowed, by taking advantage of their posts, to render conveniences to their relatives engaged in commercial activities.

The ministry also said that the excessive and numerous companies will be checked.

Starting from now on, the ministers will use home-made cars rather than imported ones, and no cars are allowed to be imported by any departments, the ministry said.

As a major effort to build a cleaner department, the officials and cadres of the ministry will be required to make public their incomes.

### Maritime Courts Get Broader Jurisdiction

HK2108004089 Beijing CHINA DAILY in English  
21 Aug 89 p 1

[By staff reporter Chang Hong]

[Text] In a bid to improve the country's legal structure, China's Supreme People's Court has broadened the jurisdiction of its six maritime courts.

The courts are now empowered to handle 41 issues in five categories of maritime litigation and disputes, more than doubling the previous 18 issues, Li Guotang, chief judge of the Communication and Transportation Court under the Supreme Court, told CHINA DAILY yesterday.

The maritime courts were first set up in 1984, following a National People's Congress decision, to facilitate transportation along its coast and on the Yangtze, the country's largest river.

The courts are located in the cities of Tianjin, Qingdao, Dalian, Shanghai, Wuhan and Guangzhou.

"The birth of the maritime courts is closely related to the development of the country's policy of opening to the outside world," Li said, "and maritime trial work has greatly improved in these past five years."

From October 1984 to the end of March this year, the maritime courts have received 1,397 cases, of which 1,130 have been concluded.

A total of 157 of the lawsuits that came to the courts involved foreign parties and 51 involved litigants from Hong Kong, Macao and Taiwan.

In 15 of the cases, both parties were foreign nationals.

Li said that, in April 1988, the Qingdao Maritime Court adjudicated a case involving South Korea and Indonesia, neither of which has diplomatic relations with China.

In addition to Chinese laws and regulations, said Li, international conventions to which China is a signatory are also considered in trial work.

"The guiding principles of maritime court officials are to perform their duties impartially and to treat Chinese and foreign litigants equally," Li said.

When a Tianjin-based trade company discovered that goods shipped to it by a foreign firm had been damaged, it demanded compensation. Although the shipper provided a security deposit totalling \$250,000 to ensure compensation, the Chinese company failed to bring the lawsuit to court within 30 days after the ship's detention as the rules require. When the foreign shipper demanded the return of the deposit, the court agreed and ruled against the Chinese side.

### Science & Technology

#### Daya Bay Nuclear Plant To Have Tourist Resort

HK2308025589 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Aug 89 p 2

[By Kent Chan]

[Text] The small village used to house expatriates working on the Daya Bay nuclear power plant will be turned into a holiday resort after the plant begins operating in 1992.

"After the finishing of the construction work, the expatriate village currently occupied by foreign experts, mostly from France, will be vacant and can thus be turned into a graceful holiday resort," said Mr Feng Bingyuan, the general manager of the Guangdong Nuclear Power Service Company.

Situated at the far end of the nuclear power plant, on a small mountain overlooking the South China Sea about 30 kilometers northeast of Hong Kong, the centre has a beach, clubhouse, restaurants, supermarkets, clinic and recreation facilities—including tennis and squash courts and a swimming pool.

There are about 800 expatriates and their families living at Daya Bay. This number is expected to rise to more than 1,000 by 1990, making it one of the largest expatriate communities in China.

However, almost all of them will leave when their contracts end, and the tourists will flock in not only for eating and entertainment—but also for education.

Mr Feng said: "By giving them the opportunity to see the operation of the power plant in person it will be a meaningful education experience."

"And because nuclear power is new, there are many misunderstandings and unnecessary fears towards the power plant, so we can take the opportunity to show visitors the safety of the energy under strict operation control in order to reduce their fear."

The holiday resort is not aimed at making money, Mr Feng said. "We believe the social benefit is more important than making money."

Mr Feng said the idea was borrowed from the French, who have 30,000 visitors a year to their nuclear power plants.

The Guangdong Nuclear Power Service Company and Hong Kong Southern China Tours occasionally organise special trips to the construction site.

Mr Feng said there were plans to upgrade the tourist section of the company into a fully-fledged firm solely responsible for tours.

#### **Aviation Industry Retools for Civilian Craft**

HK2308051289 Beijing CHINA DAILY in English  
23 Aug 89 p 1

[By staff reporter Gao Jinan: "Plane Firms Established and Retool for Civilians"]

[Text] China's aviation industry, which has focused on defence production over the past four decades, is retooling for the civilian sector, China Daily has learned.

In a major effort to restructure the industry, the government has approved the establishment of two major aviation companies—the Xi'an Aircraft Industrial Corporation and the Chengdu Aircraft Corporation. They will concentrate on the research, development and manufacture of large civilian airplanes.

Meanwhile, an official at the Ministry of Aviation and Astronautic Industry reaffirmed, yesterday, its policy of backing international involvement in developing and manufacturing civilian jumbo jets.

**Independent** At the same time, however, China is stressing its independent role in the large-aircraft programme, backed up by 40 years' experience in building airplanes, the official told China Daily.

In past years, the Chinese aircraft manufacturers have turned out more than 1,000 civilian plane of all kinds and models.

Qin Dexin, chief engineer of the Civil Aircraft System Engineering Bureau under the ministry, adds, however, that China needs foreign technology and co-operation to develop both freight and passenger jumbo jets.

At the present time, nearly all the big airplanes flying the country's major long-distance routes were bought from foreign firms.

#### **Manufacturers**

Chinese civil aviation departments have bought more than 100 large airplanes from foreign manufacturers.

At the same time, Chinese manufacturers have produced aircraft parts for major foreign plane firms. The Shanghai Aircraft Company, in cooperation with McDonnell-Douglas, are assembling the MD-82 passenger plane. This venture has given Chinese workers and managers experience in producing large airplanes.

The Chinese aviation industry, which started in the 1950s, can produce planes suitable for short- and medium-haul flights, such as the Yun-7 passenger plane with more than 50 seats and the Yun-8, a freight plane.

Qin said that China is developing some new kinds of civilian planes, such as improved models of the Yun-7-100 and the Yun-8.

These should be ready for takeoff by the end of next year. The Nong-5 plane for agricultural use will be ready to fly by the end of this year.

The domestic aviation industry is capable of gearing its sizable technical strength to developing civilian products. "But prospects in the domestic market do not look rosy," Qin said.

If the market were there, the aircraft industry could manufacture 20 Yun-7s a year. At present the annual output is half that figure.

He said the new Yun-5B has been developed, but civil aviation departments have not placed a single order for them.

Qin hopes that the government will set policies to encourage purchase of domestic aircraft.

The Chinese-manufactured 50-seat Yun-7s have flown on more than 70 domestic routes for 93,000 hours and experienced about 92,000 takeoffs and landings by the end of June. No accidents have been reported.

#### **Enterprises Make Advances in Product Standards**

OW1808181389 Beijing XINHUA in English  
0807 GMT 18 Aug 89

[Text] Beijing, August 18 (XINHUA)—China has used over 10 billion yuan (about 2.7 billion U.S. dollars) for the technological development of large and medium-sized enterprises every year, according to today's "PEOPLE'S DAILY".

According to the State Statistical Bureau, the ranks of scientists and technicians in these enterprises expanded to 800,000 by the end of last year, 140 percent more than in 1985. Engineers account for 33 percent of this figure.

The funds used in the technological development of these enterprises last year reached 12.44 billion yuan



(about 3.36 billion U.S. dollars), more than a 100 percent increase over three years ago.

The annual output value of new products produced by the enterprises has reached 60 billion yuan (about 16 billion U.S. dollars). 6.3 percent of the total profits came from new products.

Now these enterprises have moved into development of high technology products, such as software, large-scale integrated circuits and lasers.

These enterprises develop 1,600 new items every year. Last year 1,292 items reached 1980s international technical standards.

### Military

#### Yang Baibing Meets With Provincial Leaders

SK1808133289 Changchun Jilin Provincial Service  
in Mandarin 2100 GMT 16 Aug 89

[Text] On the evening of 15 August, while inspecting Army work in Changchun, General Yang Baibing, member of the Central Military Commission and director of the General Political Department, met with leading comrades of our province and held a forum with them.

On behalf of the General Political Department, Comrade Yang Baibing, first of all, thanked Jilin Province for its support and help for Army building over the past few years and fully affirmed our province's army-people joint activities to build a spiritual civilization, particularly its contributions to halting turmoil and stabilizing the situation. He then presented as a gift a videotape on the halting of the turmoil and suppression of the counterrevolutionary rebellion in Beijing to the provincial party committee and the provincial government and picture albums on the suppression of the counterrevolutionary rebellion and books on defending the socialist republic, which were compiled and published by the General Political Department and JIEFANGJUN BAO, to provincial leaders.

On behalf of the leading comrades present at the meeting and the people throughout the province, He Zhukang, secretary of the provincial party committee and Wang Zhongyu, provincial governor, highly praised the People's Liberation Army [PLA] for their great achievements in quelling the counterrevolutionary rebellion, thanked the provincial Military District and the Army units stationed in our province for their great contributions to building the two civilizations, and presented videotapes on Communist Party members, which were taken and published by our province, and a series of books on the spiritual civilization and on Jilin Province to Comrade Yang Baibing and other comrades. The meeting was permeated with the fish-water sentiments of the Army and the people and was filled with confidence in conscientiously implementing the guidelines of the fourth plenary session and doing all fields of work well.

Lieutenant General Liu Jingsong, commander of the Shenyang Military Region, and Major General Dai Xuejiang, director of the Political Department, leaders of the provincial Military District and Army units stationed in Changchun, members of the Standing Committee of the provincial party committee, vice governors, and principal responsible comrades of the provincial Advisory Commission, the provincial People's Congress Standing Committee, and the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] attended the meeting and discussions.

#### Martial Law Troops Scrutinize Discipline

HK1808088789 Beijing RENMIN RIBAO in Chinese  
16 Aug 89 p 1

[Report by Zhao Su (6392 5685) and Chen Hui (7115 6540): "Martial Law Enforcement Troops in the Capital Carry Out Examination of Mass Discipline"]

[Text] Beijing, 15 Aug (XINHUA)—This reporter has learned from the relevant department that the martial law enforcement troops in the capital recently carried out a general examination of mass discipline in accordance with an instruction of the General Political Department and the headquarters of the martial law enforcement troops. It was aimed at further developing the glorious tradition of the People's Army in observing discipline and cherishing the people so that the martial law troops can successfully fulfill their task.

The general examination of mass discipline started in mid-July. Hundreds of inspection and acceptance groups were established at the Army corps, division, and regiment levels. The leading comrades of the martial law enforcement troops led the soldiers in visiting relevant district and county governments in Beijing, and various organs, enterprises, institutions, and neighborhood offices, so as to extensively solicit opinions from local governments and the masses of various circles, and to make an overall and conscientious examination of the mass discipline of the troops since the enforcement of martial law. When the acceptance group of the discipline inspection group of a certain unit visited Zhongshan Park, it found a place that had been polluted by an Army cooking vehicle, and immediately sent people to clean it with detergent and brooms. The units on duty in Wangfujing Street held a get-together with nearly 100 shops there, but they did not take this opportunity to buy commodities in short supply. In some suburban orchards and farms, the soldiers of the martial law enforcement troops did not eat a single one of the peasants' melons, even though they were very thirsty. During the time when they were besieged, the masses sent them food and money. They had all the food and money registered and returned them to the masses. But some people did not tell the soldiers their names and units, so the soldiers formed several groups to find those people and return their things to them. In this way, eight groups of a certain unit found 46 units and 420 people who had supported the Army without giving their names, and returned all

their money and goods. The Army also compensated the masses for all the things they damaged or lost while on duty.

On the basis of soliciting opinions from local governments and people, the martial law enforcement troops have also conscientiously absorbed the correct ideas and reasonable demands of the masses, and formulated measures to improve their work and strengthen discipline. Some Army units have also changed their times for drill and roll call and changed the routes by which they come and go, so as to avoid disturbing the masses. A small number of officers and men who have violated mass discipline have been dealt with seriously in accordance with the Army's regulations on discipline and local regulations.

#### **Better Marxism Education in Armed Forces Urged**

HK2308090089 Beijing RENMIN RIBAO  
in Chinese 19 Aug 89 p 2

[Report by Correspondent Huang Caihong (7806 1752 5752): "At Plenary Meeting of the Party Committee of the Navy, Liu Huaqing Stresses Efforts to Grasp Education in Marxism"]

[Text] Beijing, 18 Aug (XINHUA)—Today at the Sixth Plenary Session of the Sixth CPC Committee of the Navy, Liu Huaqing, deputy secretary general of the Central Military Commission, said: At present, the Armed Forces must conscientiously sum up experiences, both positive and negative, and strengthen party leadership, party building, and the building of the ranks of party members and cadres, and political and ideological work. Of these tasks, the most important one is to pay particular attention to education in Marxism.

Liu Huaqing said: One important reason some people have failed to distinguish clearly between right and wrong in regard to major matters of political principle and relaxed their efforts to struggle against bourgeois liberalization in the course of reform and opening up to the outside world in the last few years, is that they neglected the study of Marxist basic theories. It must be noticed that there is an adverse current against Marxism at home and abroad. In our party, Comrade Zhao Ziyang committed mistakes in the issue of opposing bourgeois liberalization. Influenced by him, many comrades' sense of class struggle, sense of the party being the core of leadership, and sense of relying on the working class wholeheartedly have been blunted and they have become more individualistic. In the final analysis, all these forms of ideological confusion are caused by theoretical confusion. He pointed out: The key to arming ourselves with Marxist basic theories lies in using Marxist stand, viewpoint, and method to study and analyze problems, enhancing our ability to distinguish between right and wrong, and keeping to the firm and correct political orientation. All cadres, old and new, must study more, master a scientific world outlook and methodology, and take a firm stand in the complicated class struggle. In

particular, senior cadres and higher leading organs must keep to the stand of the party and consider problems out of the fundamental interests of the state and the nation.

Liu Huaqing also said: In studying Marxism, in the face of the grim reality, the whole Army, in particular, the senior cadres, must seriously ponder the question of the function of the People's Army in peace times. According to the Marxist theory on the state, the Armed Forces are part and parcel of the state apparatus. For the People's Army to resist foreign aggression and guard against subversion and sabotage by domestic hostile forces is the sacred duty entrusted by the Constitution to our Army. Comrades of the whole Armed Forces must stress this with perfect assurance and strive to be guardians of the Republic.

#### **Chi Haotian Speaks at 17 Aug Air Force Meeting**

OW2008034089 Beijing Television Service in Mandarin  
1000 GMT 18 Aug 89

[From "National News Hookup" Program]

[Text] [Video shows Chi Haotian, seated together with a dozen or so officers, reading from a script. Camera pans the meeting hall, showing a hundred or so seated officers listening to Chi's speech] General Chi Haotian, chief of general staff, stressed that our Army should vigorously strengthen military training with combat effectiveness as the criterion during the new period. He made these points on 17 August at an Air Force meeting on raising training quality and ensuring flight safety.

Chi Haotian pointed out: The military's combat effectiveness is a transformed form of social productive forces in the military realm. Sticking to combat effectiveness as the criterion reflects the essence and character of the military as well as the fundamental requirements of its mission. Military training is a central task of the military, which is essential to the improvement of combat effectiveness. In improving military training, we must take an overall approach and properly handle the relations between the internal and external [as heard], between training and security, and between training quality and safety.

The chief of general staff fully affirmed the remarkable progress achieved by the Air Force in upholding a correct orientation for military building and in improving combat effectiveness.

#### **PLA Naval Officers Carry Out Theoretical Study**

HK2108091789 Beijing RENMIN RIBAO  
in Chinese 16 Aug 89 p 4

[XINHUA Report by Reporter Huang Chaihong (7806 1752 5725): "PLA Naval Commanding Officers at and Above Army Commander Level Study Theories To Seek Common Understanding"]

[Text] Recently, the Chinese Navy CPC Committee has organized more than 100 commanding officers at and

above Army commander level to study revolutionary theories in the light of our national realities, and to carry out in-depth meditation. As a result, the Chinese Navy commanding officers at and above Army commander level have greatly heightened their ideological and theoretical level.

The PLA Navy commanding officers at and above Army commander level have spent some 10 days—beginning from 5 August—based on their previous systematic study of revolutionary theories, on carrying out an in-depth study of all the important speeches and articles made by Comrade Deng Xiaoping on adhering to the four cardinal principles and opposing the bourgeois liberalization as well as the relevant documents of the 4th Plenary Session of the 13th CPC Central Committee. During their theoretical study, the Chinese Navy CPC Committee invited some responsible comrades of the State Council, the Foreign Ministry, the Propaganda Department of the CPC Central Committee, and some other relevant departments to give talks on the current international situation, China's foreign and domestic policies, and the various manifestations of the bourgeois liberalization to the PLA Navy commanding officers at and above Army commander level; and also invited the professors of the Central Party School and the PLA University for National Defense to give lectures on revolutionary theories. Through their conscientious study of the revolutionary theories and in-depth meditation in the light of our national realities, these PLA Navy commanding officers at and above Army commander level have greatly heightened their ideological and theoretical level. As a result, they have not only written a total of more than 100 articles on their meditation on their recent theoretical studies, but have also summed up their own experiences and lessons:

—During their theoretical study, all the high-ranking PLA Navy commanding officers agreed that all of them should take the lead in strengthening their study of Marxist theories and resist the corrosive influence of the ideological trend of bourgeois liberalization; concluded that at no time and under no circumstances should the middle and high-ranking PLA commanding officers relax their study of Marxist theories; and also agreed that they should carry out a systematic re-study of all the basic theories of Marxism and Mao Zedong Thought in the foreseeable future.

—All agreed that they should take the lead in adhering to the four cardinal principles and accepting the "dual trial" presented by the governing party and the implementation of the policy of reform and opening up to the outside world. All the commanding officers came to realize that only by taking the lead in adhering to the four cardinal principles will they be able to become sober-minded Marxists so as to correctly guide the development of the PLA modernization cause. As high-ranking PLA commanding officers, they should unwaveringly adhere to the four cardinal principles and resolutely carry out the line of the 3d Plenary Session of the 11th CPC Central Committee and under no

circumstances should they slacken their ideological and political work nor lose the glorious traditions of the CPC and the PLA.

—They agreed that they should make every possible endeavor to win the confidence of the people, honestly perform their official duties, and restore the fine style of the CPC. They have carried out their theoretical study and meditation by discussing the question of building a clean government. All concluded that they should take the lead in honestly performing their official duties and restoring the fine style of the CPC, which they believed is the best way for them to carry out meditation by combining theory with reality. During their theoretical study, they resolved to immediately and personally take action to take the lead in winning the confidence of the people, honestly performing their official duties, and restoring the fine style of the CPC.

### **Navy Vessel Modernization Plans Revealed**

*HK1808025289 Beijing CHINA DAILY in English  
18 Aug 89 p 1*

[Text] China is developing and manufacturing the latest types of guided missile boat, guided missile escort, guided missile destroyer, hunter-killer chaser, torpedo submarine and mine sweeper, with an aim to raising the attack and defence capabilities of its naval forces and bring them up to world standards, a source from the China State Shipbuilding Corporation (CSSC) said in Beijing yesterday.

Despite a reduction in national defence spending, China is striving to modernize its naval forces with more updated missile-carrying vessels.

"The manufacture of vessels with missile attack capability symbolizes that the combat ships of China's naval forces are entering a stage of modernization and automation," said the CSSC source who did not want to be identified.

With this, the development of China's first generation of naval vessels has been concluded and the manufacture of new vessels is now in full swing, they said.

China has so far successfully developed new types of torpedo submarines, anti-submarine escorts, guided missile destroyers, guided missile boats and guided missile escorts, the source said. Some are being mass-produced.

The vessels, incorporating China's latest technology, are furnished with satellite navigation equipment and updated electronics, artillery, missiles, command and power systems.

"The successful manufacture of these ships has greatly elevated the combat capabilities of China's naval forces," the official added.

Currently China's shipbuilding industry is refitting some guided missile destroyers and escorts with advanced weaponry and other equipment.



After being equipped with helicopters, fire-control systems and other devices, the first Chinese-made guided missile destroyer is said to be close to the level of warships of the same kind in developed countries. Its reconnaissance and anti-submarine capabilities are greatly enhanced.

Boasting a fleet of over 6,000 vessels totalling 1 million dwt, China is one of the world's few countries with underwater nuclear attack capabilities and the third, after the United States and the Soviet Union, to have an ocean target fleet.

#### **Report on North China Sea Fleet Training Center**

HK2208090989 Beijing JIEFANGJUN BAO  
in Chinese 7 Aug 89 p 1

[Report by Shen Shungen (3088 7311 2704): "The Surface Vessel Training Center of the North China Sea Fleet Has Become a 'Grindstone' on the Sea"]

[Text] Since the surface vessel training center of the North China Sea Fleet was set up 2 years ago, 15 warships have received such good training here that they have become qualified vessels in an all-round way and have been assigned to combat duty stations [zhan bei zhi ban xu lie 2069 0271 0237 3803 1645 0441]; over 30 other vessels have received short-term training for a number of sophisticated and difficult items; and, after receiving strict training here, several thousand specialized sailors have become key members on vessels of all types.

This surface vessel training center was born in the course of reforming the Naval training structure. Soon after its inception, it demonstrated its superiority in numerous ways: First, the extensive use of modern training methods and machines has raised the scientific character and efficiency of surface vessel training. Once people enter the training center building, they feel as if they are on the vast sea. Commanders at the control tower can "cut through the waves" in directing vessels to set sail, dock, or pull from shore. Various supporting equipment, such as attack submarine training instruments, nautical instruments, missile attack instruments, and tactical simulators, enable commanders and fighters to carry out various tactical and technical training under conditions similar to actual warfare at sea. In previous tactical confrontational training, it was always difficult to pass judgments. Now, through a scientific analysis of quantitative changes, the training instruments installed in the center can display the result of fighting in terms of intelligence and bravery between the commanders of both parties. Another superiority of the center is that the strict and regular management order has created a fine training environment for vessels undergoing training there. The vessels receiving training can attain five concentrations in terms of personnel, energy, time, management, and teaching staff.

The training center's advanced management and training has remarkably improved the training results:

The training cycles of some training items have been shortened. The efficiency gained in 2 days of mine-laying training is equal to that gained in 15 days of sea training in the past. The systematic approach, comprehensiveness, and scientific character of the training is better than at any time in the past. This has also saved a lot of expense and fuel, and reduced the attrition on equipment, thus opening a new way for training sailors through thrift and hard work.

#### **'Splendid Results' in Naval Officers' Training**

HK2308095689 Beijing RENMIN RIBAO  
in Chinese 18 Aug 89 P 4

[Report by Xu Zhengzhong (6079 2973 0022) and Jia Zhibiao (6328 3112 1753): "Splendid Results Scored in Training of China's Naval Officers"]

[Text] After nearly 3 years of restructuring of China's Naval officers' training course, a new way has been worked out which is consistent with the unique features of our Navy, and which has led to the formation of a complete teaching and research system. Recently, 960 students trained at the Navy's Bengbu Officers' School, China's first comprehensive officers' school, all attained the standards set by the training course, and were assigned to border and coastal fronts upon graduation.

Responsible persons pointed out that the officers system is a new feature which emerged out of the restructuring [Bian Zhi Ti Zhi 4882 0455 7555 0455] of the Navy and is of great significance in strengthening the work at the grass-root level, in preserving the backbone of the technical and administrative contingents at grass-root level, and in enhancing the combat ability of the military.

### **Economic & Agricultural**

#### **New Procuratorial Office To Combat Graft**

OW2408020089 Beijing XINHUA in English  
1439 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—A new procuratorial office has recently been set up under the Supreme People's Procuratorate in a bid to strengthen the fight against graft and bribery, a senior official from the procuratorate said here today.

The new office, Procuratorial Division on Graft and Bribery, replaces the Procuratorial Office for Economic Affairs.

About 80 percent of the total economic crimes handled by the original Procuratorial Office for Economic Affairs involved graft and bribery, the official told XINHUA.

According to the official, the supreme procuratorate also transferred responsibility for the Corruption Reporting Center and investigation work, which was previously handled by other departments, to the newly-established office.

The Supreme People's Procuratorate is planning to make the new office a national anti-corruption center, the official added.

#### **Paper Notes 'Excessive' Rural Enterprise Growth**

*HK2408083189 Beijing CHINA DAILY in English*  
24 Aug 89 p 4

[Text] The industrial slowdown began at the end of 1988, because of the central government's austerity policies and economic adjustment.

Nevertheless, the excessive growth of rural industry by draining supplies of energy and raw materials, is undermining attempts to co-ordinate development of the national economy, says an article in FINANCIAL NEWS, a Beijing-based newspaper.

According to the article, rural industrial output value rose to 403 billion yuan in 1988, an increase by 30 percent over 1987 and constituting 25 percent of the country's total industry output value.

During the past five years, the growth rate of rural industry, the article says, was up 18 and 2.4 percent over those of the national average and urban industry.

In addition, in the first five months of this year, China's State-owned industry increased by 6.3 percent over the same period in 1988. But at the same time, rural industry went up by 24.2 percent, 3.8 times the growth of State-owned industry.

According to the article, the over-heated growth of rural industry has gone beyond the limits of the central government's adjustment and control. Rural enterprises are competing with their State-owned counterparts for energy and markets, snatching a significant share of capital and raw materials from State-owned enterprises.

The rapid development of rural enterprises, which were introduced in the country 10 years ago, is due to the central government's preferential policies on rural industry. Some rural enterprises are given the right to sell their products and fix prices.

Statistics show that more than 50 million people are employed in rural enterprises, exceeding the total number of people working in State-owned enterprises. Further-more, township and village enterprises with fixed assets of 125 billion yuan and circulating capital of 85.8 billion yuan last year, gained profits of 25 billion yuan.

According to the article, one-third of profits were turned over to local governments. The remainder was retained by rural enterprises as fixed assets which had an annual increase by 30 percent between 1986 and 1988.

Local governments, the article says, support rural enterprises because they have benefited from their development.

The rapid development of rural industry has also been due to the protective policies of local governments including tax exemption and preferential treatment in obtaining raw materials. And local governments encourage the soaring growth of rural industry in their areas to qualify for more revenues.

As a result, the local governments always failed to control the increase of rural industry which was by 15 to 20 percent more than the central government's plan, the article says.

Flexible management of rural enterprises makes it easy for them to evade the central government's control. Though banks have reduced loans for rural enterprises in line with the central government's decision to change the structure of rural enterprises, some enterprises raised funds through various channels including bribing officials and asking their employees for help.

Rural enterprises operate on the principles of self-accumulation, self-adjustment and self-management. They are responsible for their own losses and profits.

According to the article, the development of rural industry has contributed to the prosperity of rural areas and helped absorb the surplus rural workforce.

Nevertheless, fast growing rural industry worsened the imbalance between industry and agriculture in the country, the article says. Experts set the proper ratio for China's industrial and agricultural annual growth rates at 1:2 or 1:2.5.

#### **Stone Group Reports Profits Expansion Plans**

*HK2408083389 Beijing CHINA DAILY in English*  
24 Aug 89 p 2

[By staff reporter Zhang Yuan]

[Text] China's largest privately-run computer company—the Beijing Stone Group Corporation (BSGC)—continues its plans to expand despite the fact that major company founder Wan Runnan left the country in the wake of turmoil.

"The Stone Group will not only continue, it will thrive," a reliable source from the company told CHINA DAILY.

The Stone Group is drafting a massive plan to expand its business, but a company official declined to disclose the details. Sources said the plan would "soon see the light of day."

#### **Leadership**

The sources, who asked not to be identified, said: "The corporation is not a property of any individual, but, rather, a product of the country's reform and open door policy under the correct leadership of the Party."

The high-tech company's development indicates that China's policies remain unchanged, CHINA DAILY was told.

Established in 1984, the Stone Corporation has developed fast due in part to preferential treatment from the government and the Party, the sources said.

Before the unrest started in late April this year, Stone's daily business volume was 1.36 million yuan (\$370,000).

Business slowed, however, during the turmoil and demonstrations, and the government crackdown that followed on June 3rd and 4th. The corporation closed for nearly 10 days.

Since the quelling of the unrest, the sources said, the group's daily business volume has doubled, from 500,000 yuan (\$135,000) in mid-June to 1.1 million yuan (about \$297,000) now.

In July, the corporation earned 1.26 million yuan (\$340,000) in net profit and paid the State 463,000 yuan (\$125,000) in taxes, the biggest taxpayer among the companies on Zhongguancun Electronics Street in northwestern Beijing—the capital's high technology development and experimental zone.

After Wan fled abroad in June, Shen Guojun, former senior vice president, was elected acting president and chairman of the board of the Stone corporation. Shen, 53 years old, was also one of the founders.

The sources said that majority of the employees and leaders of Stone love their socialist country and support the leadership of the Chinese Communist Party as well as its reforms and open door policy.

#### **Turmoil**

Only a handful of people in the corporation were involved in the turmoil.

Now, the company is ferreting them out. But this will not affect development plans.

Ultimately, said the sources, after the ferreting-out is done and the problems are solved, the Stone Corporation will flourish as it follows the socialist road.

#### **Enterprises Fund Own Research, Development**

HK2408083589 Beijing CHINA DAILY in English  
24 Aug 89 p 1

[By staff reporter Qin Xiaoli]

[Text] The country's economic reform has enabled China's leading enterprises to build up their own sources of funding for technical improvements and new products, thereby freeing themselves from the limits of government investment for that purpose.

"Factories now pay for 90 percent of costs needed for developing new products, compared with 82.2 percent in 1984," said Wang Chao-quan, senior engineer and deputy division chief of the Department of Science and Technology of the State Planning Commission.

Government money accounted for only 8.4 percent of the 12.44 billion yuan used last year on technology development in the country's more than ten thousand large and medium sized factories, according to figures from the State Statistics Bureau.

Wang said that a survey carried out by the department in 1984 showed that projects financed from a factory's own pocket coupled with borrowed cash achieved the best economic results while those financed by the government were the least efficient.

"The reason for that is simple," he explained. "When a factory decided to use its own money to develop a new product or a new technique, it would make an overall plan that ended up in a profit. If they used loans, they wanted to pay as little interest as possible and hence speeded up the development.

"Government money usually goes to key projects sponsored by the government but these funds usually cover only research. It doesn't cover the cost of putting the product into mass production and marketing it," Wang said. "Factories would then have to get more money from different government sources for building or altering production lines for mass production and would need the help of the government to market the new product."

Wang said the State encourages factories to take the initiative in technology investment. In 1988, China's 10,738 big and medium sized factories spent 6.4 billion yuan in technology development, up 51.1 percent on the previous year; borrowed 4.2 billion yuan, up 11.2 percent; and used 1 billion yuan of government money, up 0.4 percent.

As a result, new products mushroomed. Last year, production of new products reached a record of 62.24 billion yuan.

The factories involved employed 1.58 million engineers and technicians last year.

#### **State Approves Xian, Chengdu Aircraft Firms**

OW2408013689 Beijing XINHUA in English  
0537 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—The Chinese Government has approved the establishment of two major aviation companies in a bid to restructure its aviation industry, "CHINA DAILY" reported today.

The setup of the Xian Aircraft Industrial Corporation and the Chengdu Aircraft Corporation is aimed to shift the focus on defence production over the past four decades to the civilian sector.

The two corporations will concentrate on the research, development and manufacturing of large civilian jumbo jets, the paper revealed.



The Chinese aviation industry, which started in the 1950s, can produce planes suitable for short and medium-haul flights, such as the Yun-7 passenger plane with more than 50 seats and the Yun-8, a freight plane.

In past years, the Chinese aircraft manufacturers have turned out more than 1,000 civilian planes of all kinds and models.

The Chinese-manufactured 50-seat Yun-7s have flown on more than 70 domestic routes for 93,000 hours and experienced about 92,000 takeoffs and landings by the end of June. No accidents have been reported.

At present, the domestic aviation industry is capable of gearing its sizable technical strength to developing civilian products. But prospects in the domestic market don't look rosy, the paper quoted Qin Dexin, chief engineer of the Civil Aircraft System Engineering Bureau.

Qin hopes that the government will set policies to encourage purchase of domestic aircraft.

Meanwhile, an official at the Ministry of Aero-space Industry reaffirmed China's policy of backing international involvement in developing and manufacturing civilian jumbo jets.

At the present time, nearly all the big airplanes flying the country's major long-distance routes were bought from foreign firms.

China still needs foreign technology and co-operation to develop both freight and passenger jumbo jets, the paper noted.

#### **Statistical Bureau Reports Unemployment Rate**

*HK2408100989 Beijing CEI Database in English  
0931 GMT 24 Aug 89*

[Text] Beijing (CEI)—China had 2.86 million people unemployed in its urban areas by the end of July and its unemployment rate stood at two percent in the past five years.

According to the State Statistical Bureau, 2.48 million unemployed people found jobs in the first half of this year, accounting for 33 percent of all the unemployment.

In the past six months, the unemployed totalled 4.45 million of whom 1.49 million people are newly unemployed.

High school graduates are expected to bring the unemployed population to over 5 million by the end of this year.

## East Region

### 20 Economic Criminals Surrender in Jiangsu

OW2308081789 Beijing XINHUA in English  
0713 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—Twenty economic criminals gave themselves up in a period of five days in east China's Jiangsu Province after a circular was issued by the Supreme People's Court and the Supreme People's Procuratorate, according to today's "CHINA YOUTH NEWS."

The circular, issued August 15, announced that lenient treatment would be available for economic offenders who gave themselves up before October 31.

The paper said that the 20 also surrendered at least 188,000 yuan in ill-gotten gains.

Qin Jie, the chief procurator of the provincial People's Procuratorate, said that they would be given lenient treatment since they had voluntarily confessed their crimes.

He also said that since last July, when a crime-reporting center was set up in the province, to July this year, 207 criminals have given themselves up.

### Shandong Secretary Addresses Work Conference

SK2008073889 Jinan DAZHONG RIBAO in Chinese  
24 Jul 89 p 1

[Text] A provincial government work conference concluded on 23 July. Present at the closing ceremony were Jiang Chunyun, secretary of the provincial party committee; Ma Zhongchen, deputy secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province; and Li Zhen, chairman of the provincial People's Congress Standing Committee.

Under the guidance of the spirit of the 3d Plenary Session of the 14th CPC Central Committee and the second (enlarged) plenary session of the 5th provincial party committee, this conference summarized and reviewed the achievements and experiences gained since the beginning of this year in checking turmoil, stabilizing the situation, improving the economic environment, rectifying the economic order, deepening reform, and developing economic work. Meanwhile, this conference studied work tasks for the second half of this year, and defined the direction of the future work of governments at all levels and the demand of strengthening self-construction. During this conference, responsible comrades of 15 cities, prefectures, and counties exchanged their experiences. Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, made a speech on profoundly studying and implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and striving to achieve success in the government work under the new situation, and made overall arrangements for work

tasks in the second half of this year. In addition, six vice governors of the province made speeches on work in the fields of industry and communications, agriculture, capital construction, finance and trade, science and technology, culture, education and public health, and social order; and set forth concrete opinions and demands. This conference was held at an appropriate time and with great success. In high spirits, the comrades participating in this conference generally expressed that they broadened their outlook, enriched their knowledge, and became more confident in fulfilling all work tasks of this year.

Comrade Zhao Zhihao presided over the closing ceremony of this conference; and Comrade Jiang Chunyun made a speech. He emphatically talked about four issues:

1. We should approach the situation by dividing this year into two parts, and should strive by every means to improve the practical performances in the second half of this year over those in the first half. Jiang Chunyun pointed out: In the first half of this year, the political and economic situation was good in our province. Major indicators were: A decisive victory was achieved in checking turmoil and stabilizing the situation; much fruitful work was done in improving the economic environment and rectifying the economic order, and in carrying out reform and the open policy; and the achievements scored in agriculture, industry, circulation, foreign economic relations, and foreign trade were even greater than expected. At the moment, the task facing all levels of party and government departments and all units from top to bottom in the province is to unify ideas and actions under the guidance of the spirit of the 4th Plenary Session of the 13th CPC Central Committee and make persistent efforts to improve the practical performances in the second half of this year. This means not only the need to fulfill the annual plans and lay a good foundation for the work in the next year and even later, but also the demand to make up the losses caused by turmoil and rebellion and to stabilize the situation of the province. We should use such actual deeds to safeguard the whole situation of the country and strike a powerful counterblow to the slander and attack from the reactionary forces at home and abroad.

Comrade Jiang Chunyun pointed out: Although our work is confronted with many difficulties in the second half of this year, there are also many favorable conditions. The first favorable condition is that we achieved a decisive victory in checking turmoil and the counterrevolutionary rebellion—the situation throughout the country and the province has already been stabilized. The second one is that through deeply studying and implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, we will certainly greatly arouse the initiative and creativity of the entire party and the whole people. The third one is that the four major tasks set forth by the central authorities have provided us an even clearer orientation of advance. The fourth one is that the elimination of the influence from Comrade Zhao Ziyang's serious mistakes will enable us to progress at a more steady, better and even a faster

pace. The fifth one is that the good beginning made in the improvement of the economic environment, the rectification of the economic order, reform, and opening-up; and economic construction in the first half of this year has laid a good foundation for the work in the second half. The provincial party committee wants departments at all levels, industries and trades, and various units to heighten their spirit, make concerted efforts, and strive to score practical achievements in the second half of this year, which must be better than those in the first half. Efforts should be made to reap a bumper harvest this year, and to achieve new development in the production of grains, cotton, edible oil, forestry, animal husbandry, and fishery. We should continue an adequate increase in industrial production and an obvious increase in economic results. Departments in charge of foreign trade should change the "landslide" situation and departments in charge of economic relationships with foreign countries should achieve new development. We should maintain the brisk situation among markets and strive to fulfill the annual target of bringing prices under control. Efforts should be made to increase revenues and to curtail expenses in conducting financial work, and to realize a balance between revenues and expenses. We should also score marked achievements in improving the economic environment, rectifying economic order, readjusting the economic structure, and building the key projects. Both urban and rural areas should make new progress in conducting reforms. The ideological and political work should be vigorously enhanced. The struggle against disturbances and riots should be continuously carried forward. We should bring about an obvious turn for the better in public security, and achieve new improvements in party building and in the building of administrative honesty and leading bodies. The provincial party committee is convinced that only by fully mobilizing all personnel from top to bottom, and the masses outside and within the party, uniting as one, making concerted efforts, and by working hard and doing practical work will we be assured of scoring practical achievements in various work which will be better than those in the first half.

2. We should take the task of studying the spirit of the 4th Plenary Session of the 13th CPC Central Committee as a powerful motivating force to push forward the work in the second half of this year and in the upcoming period. In his speech, Jiang Chunyun pointed out that over the past month, party committees and governments at all levels and the vast number of people throughout the province had greatly upgraded their understanding on studying and implementing the spirit of the fourth plenary session, and brought about a great change to their mental outlook. Generally speaking, our study on the spirit of the fourth plenary session is still preliminary. A large number of comrades are still relatively superficial in their understanding, and a few cadres and masses still have some muddled ideas. A handful of persons who have seriously indulged in bourgeois liberalization have a resistance to the spirit of the fourth plenary session. We must note that tasks for studying the

spirit of the fourth plenary session, unifying thinking and understanding, and implementing the resolutions adopted at the fourth plenary session are still quite arduous. By no means should we think that all problems can be dealt with as long as the documents have been relayed and studied. On the contrary, we should handle the problems through to the end and make out-all efforts to deal with them. In line with the arrangements made by the provincial party committee and the provincial people's government, various departments should regard the work of studying the spirit of the fourth plenary session as a top priority this year, and they should do a good job in grasping the work in a down-to-earth manner. While studying, we should emphatically have the leading personnel take the lead in study, bear the actual situation in mind, clarify various muddled ideas, overcome erroneous viewpoints, and should truly unite our thinking with the spirit of the fourth plenary session. On the basis of earnestly studying the commune of the fourth plenary session and the important speeches of Comrades Xiaoping, Zeming, and Li Peng, we should purposefully clarify and deal with some issues with fundamental or general significance, which are as follows:

1) The issue of strengthening the sense of class struggle and upholding the people's democratic dictatorship.

2) The issue of using the socialist ideology to occupy the ideological and political front. If the ideological and political front is not occupied by socialism, capitalism will enter it covertly. Therefore, we must always uphold the four cardinal principles and wage a resolute struggle against bourgeois liberalization.

3) The issue of promoting reform and openness. Far from changing and withdrawing the principles of reform and openness, we should go ahead with reform and openness in an even bolder and more positive manner. This was conspicuously stressed by Comrade Xiaoping in his speech. The provincial party committee and the provincial government also set forth the "five-not-change and the one-not-withdrawal" policy in line with the reality of our province. Far from changing the principles of reform and openness, we should strive to make new headway in these areas, and go ahead with them at an even faster pace on the basis of upholding the four cardinal principles.

4) The issue of the economic development strategy. Comrade Xiaoping pointed out that the economic development strategy should not change, and economic growth should not be slowed, but should be accelerated as much as possible. This is the guiding ideology for economic work in the future.

5) The issue of punishing corruption, maintaining administrative honesty, and doing some practical things for the pleasure of the whole party and the whole people. The success in this issue will greatly inspire the spirit of the party and the people, and will make our undertakings flourish. In sum, by studying and implementing the



guidelines of the 4th Plenary Session of the 13th CPC Central Committee, we should strive to fully arouse the initiative of the people.

3. Party committees at all levels should positively support the work of governments. First, the separation of the party from government should be carried out continuously. Party committees at all levels should concentrate their major energies on managing party affairs, on doing ideological and political work, and on building spiritual civilization. At the same time, they should conduct conscientious study and policymaking on the major principles and issues governing economic construction and on the economic development strategy. Those affairs which are within the scope of the functions of governments should all be handled by governments. Governments at all levels should give full play to their functional role and conduct their work in a creative manner. Second, party committees should rationalize the relations in all fields, and support governments to do their work well. Under the unified leadership of party committees, all levels of People's Congresses, governments, committees of the Chinese People's Political Consultative Conference, procuratorial and public security organs, people's courts, trade unions, the communist youth leagues, women's federations, and other departments should show no difference in their respective major goals. All levels of governments shoulder the heavy tasks of organizing economic construction, managing social affairs, and exercising the people's democratic dictatorship; and thus they greatly need the comprehension, coordination, and support from all circles of society. Party committees at all levels should strengthen and improve political leadership, should pay attention to rationalizing the relations in various fields, should enable the people to understand the difficulties of the government and help the government to overcome difficulties, and should enable the government to conduct work wholeheartedly. Third, party committees should select and provide good cadres for all levels of leading bodies of government organs. Party committees at all levels should list the building of leading bodies of governments organs as an important item on their daily agenda. With good leading bodies of the government and with the success in the government work, party committees will be able to gain the initiative in their work. In building the bodies of governments at all levels as well as their organs, we should first select capable persons; second, fill all quotas of posts; and third, optimize the structure under the principles of building up the ranks of cadres who are more revolutionary, younger, better educated, and professionally more competent.

In supporting the government work, party committees should manage to give warm encouragement to the government when it scores achievement in its work, should voluntarily help the government solve problems when it encounters them, should voluntarily assume responsibility for the government when mistakes emerge in government work, and should voluntarily help the government summarize experiences and lessons.

4. Beginning with themselves, party and government leading cadres at all levels should strengthen self-improvement. Comrade Jiang Chunyun said: The overwhelming majority of party and government bodies at all levels in the province are good or relatively good, and have stood up to the tests of reform, opening-up, commodity economic development, and the current struggle against turmoil. However, some problems remain. Some have ideologically lagged and have wavered in the struggle to check turmoil and stabilize the situation, while others have had a confused thinking and have accomplished nothing in economic construction. Still others have been weak, slack, corrosive, and even degenerate in their styles of ideology and work. This shows the necessity and urgency of self-improvement in party and government leading bodies. Not only should those bodies which have problems straighten themselves out, those bodies which are good or relatively good should also constantly improve themselves further. Party and government departments at all levels should pay attention to improving themselves, beginning with leaders; and should implement the responsibility system in this work with a view to letting each level grasp the work of the next lower level.

The county level of is a very important level of leadership because it links urban areas with rural areas, and links the macroeconomy with the microeconomy. The provincial, city, and prefectural authorities should all pay attention to the building of ideology, organization, and workstyle among the bodies at the county level, and at the same time should try every possible means to delegate even more decision-making powers to the bodies at the county level. Except for those powers which should be withdrawn by formal decrees of the central authorities, the powers delegated to the county-level bodies should no longer be withdrawn by higher authorities. Those powers which should be but have not yet been delegated downwards should be delegated continuously. Governments at the county level should be good at integrating instructions from higher levels with the reality of localities, and should strive to yield even greater results from the building of material and spiritual civilizations.

The success or failure in realizing the line, principles, and policies of the party depends on the leading bodies at the grass-roots level. All localities should attach importance to consolidating the grass-roots organizations in urban and rural areas. The provincial, prefectural, city, and county authorities should all send capable cadres to the grass-roots units to help them implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and to build spiritual civilization.

Comrades Ma Zhongchen and Li Zhen also spoke at the conference.

### Ma Zhongchen Attends Shandong Propaganda Meeting

SK2208005789 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 9 Aug 89

[Text] On the morning of 9 August, Ma Zhongchen, deputy secretary of the Shandong Provincial CPC Committee, gave a speech at a meeting on the propaganda work of the provincial party committee and on the work of institutes of higher learning throughout the province. In his speech, he pointed out: At present, the focus of the propaganda work should be on strengthening propaganda and education on adhering to the four cardinal principles, persisting in conducting criticism of bourgeois liberalization, eliminating ideological confusion as soon as possible, and uniting the ideology of the people with the guidelines of the fourth plenary session and Comrade Xiaoping's speeches.

Comrade Ma Zhongchen said: We should consider the guidelines of the fourth plenary session and Comrade Deng Xiaoping's speeches as the guiding ideology and strategic principles, and create a new situation in the propaganda and ideological work. After the suppression of the counterrevolutionary rebellion, our propaganda and ideological work came to face a very complicated situation. The current ideological problems are fairly great in number and our task to unify the people's thinking and understanding is very arduous. To successfully carry out propaganda work under such a circumstance, first of all, we must clearly define the guiding principles for the propaganda and ideological work in line with the central guidelines, and solve this basic issue well. He pointed out: The documents of the fourth plenary session and Comrade Deng Xiaoping's recent speeches are programmatic documents for unifying the ideology and guiding the work of the whole party, as well as the guiding ideology which we must follow in the propaganda and ideological work. The party committees at all levels and the propaganda departments should continue to resolutely implement the line, principles, and policies defined since the 3d Plenary Session of the 11th CPC Central Committee; comprehensively, correctly, and consistently implement the party's basic line which focuses on the adherence to the four cardinal principles; and persist in reform and opening up. Our reform, opening up, and modernization construction are proceeding in a complicated international climate. The entire Western imperialist world infiltrated our country with political ideology in various forms; has actively publicized the sham capitalist democracy, freedom, and human rights; and has incited and supported our country's ideological trend of bourgeois liberalization. We must adopt a clear-cut stand to launch a long-term and resolute struggle against this plot and act of peaceful evolution. This is a fundamental task on the propaganda and ideological front. We should conscientiously strengthen propaganda and ideological work in line with the demands of the fourth plenary session and around the four important tasks, and make positive contributions to stabilizing the situation, developing the economy, deepening reform, and punishing corruption;

and to strengthening party building, spiritual civilization, democracy, and the legal system. He called for efforts to make continued and conscientious efforts to grasp the study of the documents of the fourth plenary session and Deng Xiaoping's speeches, strengthen correct opinions, do meticulous work, and purposefully solve the people's problems of ideological understanding. In line with the problems exposed in the student unrest and rebellion, we should lead the people to correctly reflect the past incident. We should do a good job in publicizing major problems of the people's concern, such as punishing corruption. While attending to the propaganda work in the aforementioned fields, we should continue to do a better job and achieve better results in publicizing the attempt to improve the economic environment, rectify the economic order, and comprehensively deepen reform in line with the new situation.

Comrade Ma Zhongchen pointed out: We should grasp the opportune time, do more solid work, and realistically change the weak situation in ideological and political work. Affected by Comrade Zhao Ziyang's mistake, the ideological and political work was seriously disrupted and battered in general, and a weak and listless situation emerged. We should conscientiously draw a lesson from this. In the future, the statement that ideological and political work is our party's political advantage should not be just lip-service. Instead, it should be chanted as a slogan. We must formulate feasible measures to guarantee the display of this political advantage in terms of ideology, organization, and systems and policies; genuinely consider the ideological and political work as a strategic task; and grasp it unswervingly and realistically. We should recognize the importance of ideological and political work from the strategic perspective of safeguarding a long period of order and stability in the country, and realistically attach simultaneous importance to ideological and political work as we did in reform, opening up, and economic construction. In connection with studying Comrade's Xiaoping's consistent exposition on strengthening ideological and political work under the conditions of reform and opening up, we should expose and criticize the erroneous thinking of weakening ideological and political work of Comrade Zhao Ziyang, distinguish right from wrong, improve relations, clearly define responsibilities, strengthen the authority of the ideological and political departments, and further stabilize and replenish the ideological and political work contingent. The areas and units where the political work contingents were weakened or abolished should rapidly resume their operation, and should strengthen them in line with the demands of the central authorities and the provincial party committee.

Ma Zhongchen emphatically pointed out: Using socialist ideology to occupy the ideological, media, and cultural spheres is an important task of our propaganda front. Presently and for the considerably long time to come, the theoretical circle should consider studying and publicizing China as one of the basic topics in their theoretical

work, consider the issue of why China must adhere to the leadership of the CPC and must follow the socialist road—an issue which has a bearing on the future and destiny of our country—as a major task, and should study and publicize it.

In the struggle to adhere to the four cardinal principles and to oppose bourgeois liberalization, the press circles should pay attention to exposing the falsehood and reactionary nature of bourgeois press freedom, resolve the issue of keeping the party spirit and the affinity to the people identical in press work, and fundamentally straighten out the political orientation of press propaganda. The publishing circles should satisfy the people's spiritual needs with healthy reading material, and thoroughly eliminate reactionary and pornographic publications as well as audio and video articles. The cultural circle should reaffirm and establish the guiding principle of considering social effect as the highest criterion in the production of literary and art works, unswervingly adhere to the orientation of serving socialism and the people, implement the double-hundred policy, and strive to create a large number of works with a profound ideological and educational meaning and a strong artistic appeal to the people. The educational circle, particularly all institutes of higher learning, should do a good job in conducting ideological work among students and teachers; purposefully and meticulously conduct education on basic Marxist theory, patriotism, collectivism, plain living, and arduous struggle among the broad masses of students, teachers, and all teaching faculties; educate students with Marxism-Leninism-Mao Zedong Thought; persist in conducting ideological and political work among students; and train them to be successors of the socialist cause.

Comrade Ma Zhongchen pointed out: We should strengthen propaganda to the outside world and continue to create conditions for our province's opening up. Our province is one of the provinces opening to the outside world. Successfully conducting propaganda to the outside world is of great significance in our province. We should continue to adhere to the principle of conducting both internal and external propaganda; and further make the world understand Shandong, and make Shandong understand the world, through solid and effective work in an effort to more effectively promote the opening of Shandong peninsula to the outside world.

Comrade Ma Zhongchen emphatically pointed out: We should realistically strengthen the party's leadership over the propaganda and ideological work. Propaganda work has long been one of the important components of party work. The party must grasp propaganda work and realistically manage the ideological sphere. This work should be grasped not only by the party committees, but also by the governments at all levels and the whole party. To strengthen the party's leadership over propaganda work, first of all, we must guarantee a correct political orientation for propaganda work. In the ideological sphere, we must guarantee the party's absolute leadership, the dominant position of Marxism, and the socialist orientation.

Erroneous things, particularly things of bourgeois liberalization, must be resolutely criticized and struggled against whenever discovered. We must not tolerate or yield to them in the slightest degree. The party committees at all levels should regularly study and analyze the ideological situation and give specific guidance, and should raise our province's propaganda work and the work of institutes of higher learning to a high level.

This meeting on the propaganda work of the provincial party committee and the work of institutes of higher learning throughout the province was opened in Jinan on 8 August. At the meeting on 8 August, Miao Fenglin, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, and Song Fatang, vice provincial governor, relayed the guidelines of the National Conference of Propaganda Department Directors and of the National Work Conference of Institutes of Higher Learning.

#### **Shanghai Paper Criticizes UPI Report**

*OW2108095289 Shanghai City Service in Mandarin  
2200 GMT 20 Aug 89*

[Text] JIEFANG RIBAO on 21 August published in its Jiefang Forum column a signed article. The article points out that during the recent turmoil in China, some Western news media have issued so many unreliable reports, people can only doubt their objectivity.

The article says: A 2 August UPI dispatch from Beijing quoted an informed source as saying that a decision had been made on appointing the president of a Shanghai college, Mr so-and-so, to be secretary of the Shanghai Municipal CPC Committee. UPI even enthusiastically gave a biographical account of Mr so-and-so, showing his background for the appointment.

Nevertheless, while the UPI report is being circulated, General Secretary Jiang Zemin announced in Shanghai the decision of the CPC Central Committee on appointing Comrade Zhu Rongji secretary of the Shanghai Municipal CPC Committee. The announcement was made at a most opportune moment indeed.

#### **Shanghai Paper Publishes Zhu Rongji Article**

*OW2008185489 Shanghai City Service in Mandarin  
2200 GMT 16 Aug 89*

[From the "Press Digest" of the "Morning News" program]

[Text] ZHONGGUO CHENGSHI DAOBAO [CHINA CITY HERALD] has published an article by Zhu Rongji, secretary of the Shanghai Municipal CPC Committee and mayor, entitled: Working Successfully in Protecting Huangpu Jiang, the Motherland of Shanghai.



**JINGJI GUANLI Views Zhejiang Reform***HK1708050589 Beijing JINGJI GUANLI in Chinese  
No 7, Jul 89 pp 49-51*

[Article by Yu Weijun (0151 5898 6511): "A Preliminary Study of 'Special Zone Enterprises'"]

[Text] [Begin editor's note] How to further deepen the reform while rectifying the economic environment and improving the economic order is an important question being explored by various localities. Lanxi City in Zhejiang has made bold attempts and has gained some useful experience in this connection. Lanxi began promoting the system of "linking total wages with overall economic performance throughout the city" in early 1987, thereby injecting new vitality into its industry. However, Lanxi did not stop there. On the microeconomic level and centering on the transformation of the operating mechanism of enterprises, the city successively instituted the dual-level management, full-responsibility contracting, targeted management responsibility contracting by cadres, and other forms of management systems. At the same time, Lanxi experimented with the concept of "special zone enterprises" by turning four state-owned enterprises into completely open and independent ones. On the medio-economic level, control was strengthened over wage funds. As a safeguard against failure in "linking total wages with overall economic performance throughout the city," they also set up an overall link risk fund. An important feature of economic reform in Lanxi is that rather than being confined to one particular measure or form, different measures and forms were tried. This journal will carry in two consecutive issues a series of articles introducing Lanxi's reform experience which it is hoped will give readers food for thought. [End editor's note]

**I. The Origin of "Special Zone Enterprises"**

The "special zone enterprises" policy first practiced in Lanxi City, Zhejiang, is not the product of any particular person's subjective thinking. Neither is it just a fashionable new term. Objectively speaking, its emergence is the inevitable result of the interaction of external conditions and internal factors in the development of enterprises.

In terms of external conditions, production tasks handed down to Lanxi by the state account for only about 10 percent of the city's total output value. The overwhelming majority of enterprises have, to varying degrees, begun switching from the straight production mode to that of production-operation, while the production and marketing of most products are realized by enterprises through the market. In the meantime, contracted management (leasing) and linking total wages with economic performance are practiced. These measures have given enterprises great pressure as well as drive. In terms of internal factors, as the targeted model of reform becomes increasingly clear, understanding of the commodity economy on the part of enterprise cadres, staff, and workers is also increasingly enhanced. Enterprise operators in particular have all cultivated a strong

enterprising spirit and sense of responsibility. The outmoded concept of passively depending on the government to take care of everything is being replaced by the new concepts of assuming sole responsibility for profits and losses and of self expansion. A self-stimulation and self-constraint mechanism has developed within enterprises. All this has created the necessary conditions for enterprises to be run as completely open and independent entities.

Lanxi City first selected the Lanxi Chemical Engineering General Plant, the Lanxi Cotton Textile General Plant, the Lanxi Rubber Shoe General Plant, and the Lanxi Fountain Pen Plant to form the first group of "special zone enterprises."

The emergence of "special zone enterprises" marks the beginning of a new historical stage of economic restructuring in Lanxi City.

**II. The Basic Framework of the Policy of "Special Zone Enterprises"**

The so-called "special zone enterprises" are those enterprises which have been given special concessions by the government in terms of policy and management, and are allowed—on the precondition of abiding by state economic laws and regulations—to directly enter the market as completely open and independent entities, assuming sole responsibility for their own profits and losses and having freedom of development. The basic characteristics of this policy are self-management, independent operation, sole responsibility for profits and losses, a guarantee to hand over a base figure to the state, and the absence of supervising departments and grades. The department in charge (the city's economic committee) only appears on behalf of the government as the owner of the people's property, and is only responsible for overseeing the enterprise operator, the contract, and floating ratio between total wages and economic performance. The political treatment and wage grades of factory directors, staff, and workers are not subject to the scale and size of enterprises.

What is so "special" about "special zone enterprises"? "Special zone enterprises" enjoy autonomy in the following six specific areas:

First, decisionmaking power in matters of operation and management. In accordance with the government's industrial policy and programs for different trades, "special zone enterprises" have the power to decide their own overall and long-term direction and development policy. They may transcend the barriers between industries by "specializing in one trade while branching out into others," and may decide to switch to another line of production in the light of market changes (except in the case of products subject to the state plan). After making the abovementioned operational decisions, they have the power to go through the necessary formalities directly with the industrial and commercial administrative departments without having to seek approval from the administrative agents. In line with the overall business

policy, they can decide and make their own arrangements for everyday production and management activities. Having ensured the fulfillment of their annual production plans, they can determine their own work timetable and production schedule, and decide on establishing offices in accordance with the principle of simple administration and high efficiency. They have the power to decide whether or not to take part in various types of overall assessments and inspections organized by the government, and no department may interfere in this matter by administrative means. Administrative agents or purchasing departments will place orders on these enterprises for products subject to mandatory state plans and provide these enterprises with raw and semifinished products, fuel, and power in accordance with the terms stipulated, while the enterprises will ensure the fulfillment of purchase contracts. Should a purchasing party violate the terms of contract, the enterprises have the right to go to the contract management departments for arbitration.

Second, decisionmaking power over investment. The power to determine investment in operational projects is vested in these enterprises. They may use their own funds or bank loans to finance technological transformation projects. If a project does not involve land requisition, or does not require the help of the state in supplying balanced raw and semifinished materials and power, they may go ahead with the project on the recommendation of consultant units without having to go through application and approval procedures. All they need do is report the project to the relevant departments for the record. They may also decide on minor civil engineering projects costing up to 50,000 yuan to be built within the factory complex. They only have to report such construction to the relevant departments for the record and do not have to go through application and approval procedures. They (including their factories) may decide on the purchase of up to five flats, using their welfare funds, to sell to individuals.

Third, the power to employ labor. While adhering to state regulations regarding recruitment conditions, these enterprises have the power to determine the time of recruitment and the number of workers to be recruited. Within the enterprises, an internal contract management system with workers at their posts, reserve workers, and workers awaiting employment is adopted without any distinction between cadres and workers, workers under the state and collective sectors, permanent and contract workers, and regular and part-time workers. These enterprises have the power to dismiss staff and workers, while enterprise staff and workers have the power to resign or take leave of absence in accordance with relevant regulations. Pilot enterprises may invite or bring in technical personnel, staff, and workers who will be able to play an important role in production and operation in these enterprises without restrictions on status. (However, the original status of those transferred to work in these enterprises will remain unchanged.)

Fourth, power over the distribution of wages and bonuses. While ensuring the link between wages and performance, these enterprises have the power to determine the distribution form and total volume of wages and bonuses and are exempt from a bonus tax. The original grades and wages of staff and workers will only be filed as wages on record. The wages and terms of employment of newly recruited staff and workers (including college graduates and special or technical secondary school leavers allocated by the state) are determined by the enterprises themselves. Under the precondition of ensuring implementation of the "dual wage system," these enterprises have the power to determine the annual increment for on-file wages of staff and workers.

Fifth, the power to determine the price of products. The power to set prices has been entirely handed over to these enterprises for all products managed by Lanxi City, the enterprises setting the prices themselves. These enterprises also have the power to set the prices of above-quota products subject to the state plan.

Sixth, the power to dispose of property. Under the precondition of ensuring fulfillment of the capital assets appreciation target specified in the contracts, these enterprises have the power to dispose of their assets as they see fit. They may invest in other enterprises, enter into partnerships, take part in joint ventures or joint operations, conclude contracts, merge with other enterprises, or lease, mortgage, alienate, or auction parts of their assets without having to seek the approval of relevant departments beforehand.

### III. "Special Zone Enterprises" Brought New Reform Prospects to Lanxi City

1. The establishment of new ties between government and enterprises.

Although the "special zone enterprises" have been granted autonomy in six aspects, the management contracts formerly concluded between the government and these enterprises remain in effect. In the meantime, Lanxi City has adopted a "three-no policy" toward these enterprises. What this means is that the government will not concern itself with whether or not the enterprises can withstand the pressure of price hikes in raw and semifinished products, or the benefits received by the enterprises through price readjustments within different trades. The government will not readjust the contract base figures on account of any of the aforementioned circumstances. In other words, the government will no longer exercise direct control over these enterprises. Thus the "umbilical cord" between the government and the enterprises has been cut and the latter can truly enjoy the right to own, utilize, and dispose of assets. New ties between the government and the enterprises have been established. Once freed from the watchful eyes of "administrative nannies," the enterprises begin to develop into independent economic entities.

2. The injection of great vitality into enterprises.

Enterprises are truly pushed onto the stage of the commodity economy. They have established a new operating mechanism which is adaptable to market changes, thus enhancing their endurance. The Lanxi Chemical Engineering General Plant first devoted its energy to "specializing in one trade while branching out into others." Development companies were established in Lanxi, Hanzhou, Hunan, and other areas; and extensive lateral ties forged with many universities and colleges, research units, and commercial departments, forming a new four-in-one network of enterprise operations combining scientific and technological development with industrial production, commercial circulation, and exports. The Lanxi Rubber Shoe General Plant was at one stage beset with difficulties due to the overstocking of rubber shoes, the increased cost of raw and semifinished materials, and other factors. After implementation of the "special zone enterprise" policy, the plant made use of its own production strength, and its advantageous position of being able to fix the price of products with the lifting of management restrictions to produce stylish and marketable products. Through readjustment of its business behavior, the plant has become one of the most outstanding rubber shoe factories in the province.

### 3. The promotion of functional changes in the responsible departments.

The institution of the "special zone enterprise" policy poses a new problem. What is the "mother-in-law" to do now that enterprises are allowed to function without supervising departments? The experimental "special zone enterprises" in Lanxi City involved as many as 18 departments, including the economic committee and the labor, finance and taxation, banking, pricing, and the industrial and commercial departments. After commencement of the experimental integrated reform, these departments could only prove their own worth through changing their own functions and providing enterprises with outstanding functional services. To this end, these departments have done a lot of hard work. For instance, the economic committee now only acts on behalf of the state as the owner of the people's property in ascertaining the qualifications of the operators, accepting the handover of profits in accordance with contract terms, and exercising supervision. The city's industrial and commercial bureau is actively expanding the scope of its services and, as "staff officers," providing the enterprises with "ideas."

## IV. Problems Awaiting Solution

Lanxi City's "special zone enterprise" policy has been implemented within the framework of the existing system. The "minor climate" of this reform will inevitably be affected by the "major climate" of the overall structural reform and is bound to clash with the old system. Thus, there are bound to be problems and new difficulties.

1. There is an urgent need to establish and improve a labor service and manpower exchange market. Since "special

zone enterprises" have the power to determine their own employment matters, there must be supporting reforms in the personnel system, such as introducing policies of "recruiting the best candidates" and "optimized organization." It is inevitable that some people will be made redundant. In the meantime, enterprises will try to absorb urgently-needed personnel from other enterprises or areas based on their own needs. This requires that the government establish a labor service and manpower exchange market. Although Lanxi City has made some new attempts in this direction, the difficulties are great. What is more, the flow of manpower is not restricted to within the city. It also affects other places. This calls for the attention of society at large.

2. Reform at different levels is not synchronized. Since the reform is restricted to within the jurisdiction of Lanxi and is not enforced outside the city limits, the "special zone enterprises" have no role to play outside the city. For instance, a promising joint-venture project by the Lanxi Cotton Textile General Plant for the intensive processing of cotton yarn fell through, despite the fact that an agreement had already been signed, for the simple reason that the power to examine and approve the project was vested in the provincial authorities. Moreover, although it was stipulated that "special zone enterprises" were not obliged to take part in assessments and inspections organized by the city authorities, they have to take part in assessments and inspections outside the city.

3. The pricing system has not been brought into order and cannot properly reflect the actual performance of enterprises. Since the pricing system as a whole is distorted and confusing, enterprises cannot accurately forecast the long-term situation. Price hikes, increased wages, price subsidies, and other factors that increase expenditure and decrease revenue are borne by the enterprises. Further, because the price of raw and semifinished materials keeps changing, enterprises have great difficulty getting accurate economic information and arranging production and management in a scientific and rational way.

4. The stimulation mechanism for operators of "special zone enterprises" needs to be improved. After implementation of the contracted management (leasing) system, Lanxi City Government and the departments in charge started the practice of evaluating the risk reward for operators. This stimulation mechanism also works with "special zone enterprises" although it is not always fair. For instance, the evaluation of relative increases alone means that small factory operators with profits of tens or hundreds of thousands of yuan will be issued risk bonuses of over ten thousand yuan or even tens of thousands of yuan, while some big factory operators with profits of millions of yuan will only be issued small bonuses, or even fined because the profit increase is too small or because profits have dropped. This is quite unfair, especially when operations are completely freed. As operators take on greater risks, their risk rewards should be increased appropriately. In evaluating the



accomplishments of operators, it is necessary to consider the relative and absolute increases and the tangible and intangible risks. This requires that the departments concerned formulate a scientific and rational stimulation mechanism for operators of "special zone enterprises" as quickly as possible.

### **Newsletter Praises Zhejiang Family Planning**

*HK2308092089 Beijing RENMIN RIBAO in Chinese  
19 Aug 89 p 5*

[Newsletter by XINHUA reporters Zhu Guoxian (2612 0948 6343) and He Lingling (0149 3781 3781): "Taking Family Planning as 'a Routine Affair'"]

[Text] There was a piece of doggerel describing the division of work among grass-roots cadres: "They contend for duties related to industry, show little interest in duties related to agriculture, and simply refuse to undertake duties related to family planning." However, this passing-the-buck condition no longer exists after the target management responsibility system for family planning was adopted in Zhejiang. As a leading official in the provincial Family Planning Commission told these reporters, "in the past, many cadres tried to evade duties related to family planning; but now, family planning has become a 'routine affair' for cadres at all levels, and for women of child-bearing age."

In 1986 and 1987, the population in Zhejiang Province increased for 2 consecutive years. In 1988, many people wanted to have babies in the Year of Dragon so that they would have "dragon children," and this caused certain pressure on the work of population control. However, thanks to the adoption of the target management responsibility system for family planning in the whole province, the new-born population in 1988 was more than 50,000 people fewer than the previous year, and the natural growth rate of the population remained at a level below 0.96 percent, marking the lowest rate in the whole country.

In Zhejiang, the results of family planning are taken as one of the administrative assessment items in 11 prefectures and cities. Target management contracts were signed by 89 counties (districts) with the relevant departments at both upper and lower levels, and most townships (towns) also signed responsibility contracts with the upper authorities. In some localities, contracts were signed directly with women of child-bearing age so that the family planning targets could be ensured at every level.

The leading official of the provincial Family Planning Commission told these reporters of this event: In 1987, Huangyan County dispatched 200 people to inspect the state of family planning in Pingtian Township. They worked busily for a whole day, but could only find five women of childbearing age, the other dozens of women had simply disappeared. This was because before the inspectors set off, a township cadre revealed the plan and many women of childbearing age went to their relatives' houses in other localities to elude inspection. Last year, after Pingtian Township concluded a target management

contract with the upper authorities, family planning became a "routine affair" for township and village cadres. They now bear responsibility for family planning among some families in a village or for a certain area in the township; and they often visit the families to find out about the real conditions and to make sure that they really exercise family planning. As a result, the rate of births in light of the family planning standards rose from 58 percent in the previous year to 96 percent in 1988.

In some localities of Zhejiang, the target management system is implemented among all couples of childbearing age with contracts being signed with every couple in this category. In Huangyan County, all township (town) governments began to sign a family planning contract with every couple of childbearing age. In light of the current family planning policy and the local conditions, it was stipulated that a family with only one daughter may give birth to a second child 5 years after the birth of the first child, and that a family with one son is not allowed to give birth to a second child. The contract includes the current family planning policy and stipulates the rights and duties of both sides. Those who violate the contract will be penalized accordingly by the judicial organ. Last year, more than 10,000 family planning contracts were signed, and were witnessed by a notary public. Couples who signed such contracts accounted for 94 percent of couples of childbearing age. More than 20,000 "no childbearing notices" were issued, accounting for 96 percent of those who should receive such notices. After the adoption of these measures, the masses in Huangyan County had a stronger sense of family planning, and fewer people tried to give birth to more children secretly.

The target management responsibility system is not only applied to the family planning department and the cadres at the county, township, and village levels in Zhejiang Province, but is also applied to all relevant departments. In Huzhou, an area of rivers and lakes, it was always very hard to exercise family planning among "boat households" engaged in water transport. The couples live in a boat and move from one place to another. It is hard to find whether a married woman in such circumstances is pregnant or not. When comrades in the farm machinery and water conservancy bureau were aware of this situation, they agreed to take up the responsibility for supervising family planning among the "boat households," because the boat owners had to visit the bureau to renew their equipment licenses every year. In Zhaonan Township, the wife of a boat owner was pregnant in violation of the family planning regulations, and no one could persuade her to undergo induced abortion. Then, the farm machinery supervisory station temporarily suspended the transport license of this household and warned the husband: "This is not our own decision. Citizens are required to practice family planning according to the state Constitution and the provincial regulations. You have violated these laws and regulations, so we must take disciplinary action." This

was indeed an effective method, and the boat owner took his wife to the hospital for the abortion operation that afternoon.

Because targets are assigned to all departments concerned, it is now not so difficult to handle family planning.

Some grass-roots cadres in charge of family planning said: "We not only need a strict policy for family planning, but more importantly, we must be impartial in handling various cases." The family planning department in Zhejiang did pay close attention to this issue. In Huangyan County, more than 40 cadres violated the family planning regulations, and they were all dismissed from official office. Party disciplinary actions were also taken against those who were party members among these cadres, and some were even expelled from the party. They were all fined for giving birth to excessive children, and could not be promoted for 5 consecutive years. The masses praised such strict enforcement of the regulations.

### Central-South Region

#### Guangdong Governor Meets Japanese, U.S. Envoys

HK2308114489 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 23 Aug 89

[Text] According to a report by Guangdong Television Station reporter (Wang Xiaoqing), this morning, Governor Ye Xuanping met separately with Japanese Ambassador to China (Tojiro Nakajima) [zhong dao min ci lang] and U.S. Ambassador to China James Lilley in the provincial government's reception room. He gave them a warm welcome, thanking them for visiting the province.

During his meeting with (Tojiro Nakajima), Governor Ye said: Geographically, China and Japan are close neighbors, and relations between the two countries were becoming closer and closer before the normalization of diplomatic relations. This tells us that China's policy of opening itself to the world is very correct. In addition, all of this is also the result of the Japanese Government's adherence to the principle of seeking truth from facts in handling the relations between the two countries.

(Tojiro Nakajima) said: It is hoped that the friendship between the Chinese and Japanese peoples will continue to develop steadily.

During his meeting with U.S. Ambassador to China James Lilley, Ye Xuanping especially told the American friend about the need for China to readjust its economic growth rate. He stressed: Guangdong's policy of carrying out reforms and opening itself to the world has not changed. Foreign businessmen are welcome to invest money in Guangdong.

#### Guangdong Reviews Shortcomings, Current Tasks

HK2008014389 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 19 Aug 89

[Text] A training course for 310 city and county party secretaries, department chiefs, and bureau chiefs—organized by the provincial party committee—has further enhanced the participants' understanding through restudying in depth the documents of the fourth plenary session and Comrade Deng Xiaoping's speech and coolly reflecting on things. The course lasted from 10 to 19 August. Ye Xuanping and Xie Fei, deputy secretaries of the provincial party committee, spoke at the course. Secretary Lin Ruo delivered a summation.

The participants held that since the launching of reforms and the open policy—guided by the CPC Central Committee's line, principles, and policies—Guangdong has practiced special policies and flexible measures, and has given scope to its strong points; the result are that its productive forces have reached a new level, living standards have markedly improved, and achievements acknowledged by everyone have been scored in building material and spiritual civilization.

However, there are also deficiencies in work in Guangdong. The main ones are: We have not been consistent enough in adhering to the four cardinal principles, or in regarding them as a basic ideology to educate the people, students, cadres, and party members; in grasping things with two hands, we have been rather heavy with one hand and rather light with the other; we have not done enough in reform and opening up; certain problems in society at present, such as the growth of abusing powers and graft, and certain ugly phenomena have not been eliminated, and there are many public order problems; feudal superstitions have been revived in the rural areas; and practices of extravagance and waste have spread, and so on.

Everyone held that the main reasons for these problems are as follows:

1. We have not been effective in opposing bourgeois liberalization within the party.
2. We should develop a planned commodity economy; however, a commodity economy has a dual nature, and its negative aspect is prone to produce the idea of doing anything for money.
3. The party has failed to grasp its work effectively through to the end.

After serious review and reflection, the participants unanimously held that it is essential to absorb a number of experiences and lessons: 1) We must thoroughly implement the basic line of one focus and two basic points. 2) We must adhere to the guideline of grasping things with two hands. 3) We must govern the party with strictness. 4) We must not forget that the class struggle still exists within certain parameters. 5) We must not forget to step up ideological and political work.

The course also arranged the tasks for the second half of the year. The main ones are: 1) Continue to seriously study the documents of the fourth plenary session and Comrade Deng Xiaoping's speech. 2) Effectively strengthen economic work and prevent a slide. 3) Punish corruption, crack down on graft, solve the problem of abusing powers for building houses, and sweep away ugly phenomena in society. 4) Strengthen ideological and political work, launch the struggle against bourgeois liberalization, and criticize the idea of doing anything for money. 5) Continue to get a good grasp of investigations and cleanup work and strive for total victory in quelling the counterrevolutionary rebellion. 6) Improve work style and ensure the fulfillment of all tasks.

### **Guangdong Police Capture Student Leader**

*HK2408064989 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 24 Aug 89*

[Text] According to clues given by the masses and through meticulous investigations, the Guangzhou City Public Security Bureau recently cracked a major case involving students assisting Zheng Xuguang, a wanted backbone element of the illegal Beijing College Students' Federation, in fleeing from the country. The police caught (Xie Zhenrong) and four others culprits while they were committing the offense. All five culprits entered China from Hong Kong. The police also confiscated on the spot some tools and a sum of money which were used to carry out the fleeing operation. Zheng Xuguang, who is on the wanted list, has also been caught.

Investigations indicate that three of the five culprits are students enrolled with Jinan University, namely, Chen Zewei, Liang Daohua, and Qin Guodong, all from Macao. Liang and Qin took a part in the fleeing operation, but both of them were made use of by others in the case. As they have sincerely confessed their crime, the Guangzhou City Public Security Bureau has decided to treat them with leniency and put them under surveillance by Jinan University. (Xie Zhenrong) and Chen Zewei, as chief culprits of the case, are still being kept in custody for further investigations.

### **Guangdong Criminals Urged To Surrender**

*HK2408025189 Hong Kong WEN WEI PO in Chinese 24 Aug 89 p 2*

[Report: "Guangdong Authorities Urge Economic Criminals Who Have Fled Abroad to Return and Give Themselves up to the Police"]

[Text] Guangzhou, 23 Aug (WEN WEI PO)—Xiao Yang, procurator general of the Guangdong Provincial People's Procuratorate, said today: Economic criminals who have absconded abroad must repent and mend their ways, and surrender themselves swiftly to judicial departments.

According to Xiao Yang, procuratorial organs have organized forces to establish connections with related

organs inside and outside the country to track down and arrest the economic criminals who have fled abroad. Not long ago, through the International Criminal Police Organization and with the help of the Macao police, Guangdong authorities have already arrested six economic criminals. He pointed out: Fleeing criminals will not have an easy time abroad and moreover, they will be unable to live together with their families. How can this situation last long? So long as these people can sincerely repent and return home to surrender themselves to the police, procuratorial organs will equally give them lenient treatment in accordance with the stipulations set by the Supreme People's Court and the Supreme People's Procuratorate.

Xiao Yang also urged them to write letters to procuratorial organs or ask their relatives and friends at home to "register" with procuratorial organs before returning to give themselves up to the police so as to avoid "unexpected difficulties" on the way.

### **Guangxi Meeting on Primary, Middle Schools Ends**

*HK2108032889 Nanning Guangxi Regional Service in Mandarin 1000 GMT 18 Aug 89*

[Text] The 4-day regional work conference on education of primary and middle schools concluded in Nanning on 17 August.

Attending it were responsible persons of education bureaus at the prefectural and city levels, leaders of some primary and middle schools, and comrades of relevant organs directly under the regional authorities. They conscientiously studied the relevant documents issued by the central authorities and the regional party committee and seriously discussed moral education in primary and middle schools.

The meeting holds that primary and middle school education is elementary education. In order to train qualified successors, it is necessary to place moral education before others. It also calls on seriously organizing teaching and administrative staff of primary and middle schools to study some documents—including the communique of the 4th Plenary Session of the 13th CPC Central Committee—and conducting education among primary and middle school students on the current situation, with the focus on the checking of the turmoil and the quelling of the counterrevolutionary rebellion so that teaching and administrative staff and middle school students will be able to understand the nature and significance of the struggle; distinguish clearly between right and wrong; achieve unity of thinking; enhance their level of political consciousness and steadfastness in upholding the four cardinal principles, and in combating bourgeois liberalization; and maintain unity with the party Central Committee politically, ideologically, and in action as well. All primary and middle schools must further set right the idea of education and stick to the socialist organization of running schools. All teachers should not only impart knowledge, but also educate



people so as to enable students to develop morally, intellectually and physically.

The meeting also urges primary and middle schools in different areas to seriously launch an education drive to love the CPC, to love the socialist motherland, and to love the People's Liberation Army at the beginning of the coming semester so that students will know that their present happy life is hard-won; and will know to love the CPC, accept party leadership, be worthy sons of the party, foster the lofty aspirations of working hard for the four modernizations and rejuvenating China, and soundly grow up according to the requirements of the motherland and along the orientation of developing morally, intellectually, and physically.

Li Zhenqian, vice chairman of the regional people's government; and (He Debang), a member of the regional party committee Standing Committee and director of the regional educational committee; attended the meeting and held discussions with part of the meeting participants.

#### **Hubei Secretary Urges Deepening Rural Reform**

*HK2108083189 Wuhan Hubei Provincial Service  
in Mandarin 0900 GMT 19 Aug 89*

[Excerpts] Secretary of the provincial party committee Guan Guangfu inspected Wuchang County on 17 and 18 August. He highly appreciated Wuchang County's achievements in exploiting natural resources on a big scale and in an efficient way; the pioneering spirit the county had shown; and the breakthroughs the county had made in local construction. Guan Guangfu noted that in deepening rural reform, it is necessary to open up a new road to the development of rural enterprises and the exploitation of resources.

In the company of (Xie Peidong), deputy secretary of the Wuhan City party committee; (Dong Shaojian), vice mayor of Wuhan City; the responsible comrades of the provincial and city departments concerned; and the leading people of Wuchang County, Comrade Guan Guangfu toured with zest a prosperous orange and tangerine plantation at (Zhengdian) township, the county's horticultural farm where fruits are seen everywhere, as are the green mountain slopes at (Ninggang) township. [passage omitted]

Comrade Guan Guangfu pointed out: Wuchang County has undergone a tortuous road in economic development; its experience is universally applicable and is worth being popularized throughout the province. He said: Exploiting natural resources by establishing rural enterprises; making use of scientific achievements; and introducing the two-tier management system [household operation and village-run economy], large-scale operation, and intensive farming; these are a recommendable road toward the integration of rural reform and rural development. The prosperity of rural enterprises may serve as a good example to encourage the peasants to try the joint management system. So, while consolidating

and perfecting the household responsibility system of linking remuneration to output, we will be able to expand the collective economy. This can not only speed up the rural reform but also give an impetus to the efforts for common prosperity in rural areas.

In summing up Wuchang County's experience in the exploration of natural resources, Comrade Guan Guangfu emphasized the necessity of reevaluating the circumstances of the province and one's own county, and of strengthening strategic macroeconomic guidance. He said: It is a question of vital importance for a province, a prefecture, a city, and a county to constantly reevaluate itself, to set its own orientation in light of the actual circumstances, and to take the initiative in implementing the guideline laid by the central authorities and the orders issued by the provincial party committee. From the philosophical point of view, we are applying materialist dialectics; as far as the guiding ideology is concerned, we are following the ideological guideline of seeking truth from facts; and with regard to revolutionary spirit, we are to enhance the enterprising spirit and the revolutionary ideal. Our understanding of the circumstances in our counties and in the province is an endless process. We must constantly explore new frontiers of knowledge. Only in this way will we be able to make unremitting progress. [passage omitted]

During this inspection tour, Comrade Guan Guangfu also held unofficial discussion meetings with county, township, and village cadres on the building of rural grass-roots political power organs. He said: Wuchang County was selected by the provincial party committee to launch the pilot project for building of rural grass-roots political power organs. Now that we are carrying out the rural reform in depth, we must work hard to find a way to develop grass-roots party organizations, political power organs, and economic organizations in rural areas; to ensure that party, government, and army building will proceed side by side; and straighten out grass-roots organizations on the whole, and thus make sure that all tasks are earnestly accomplished through powerful and efficient grass-roots organizations.

#### **Southwest Region**

##### **Sichuan Leaders Visit Report Group Members**

*HK2108091189 Chengdu Sichuan Provincial Service  
in Mandarin 2200 GMT 20 Aug 89*

[Excerpts] Leading comrades of the provincial party committee and government, the Chengdu Military Region, and the provincial Military District—Wan Haifeng, Zhang Taiheng, Zhang Haoruo, Xu Chuan, Gao Shuchun and Han Bangyan—yesterday afternoon called on members of the 4th subgroup of the report group on heroic and exemplary deeds in the quelling of the counterrevolutionary rebellion in Beijing.

The 8-member subgroup arrived in Chengdu on the morning of 19 August. [passage omitted]

On behalf of the provincial party committee and government, Governor Zhang Haoruo warmly welcomed and expressed sincere thanks for the coming of the report group. He said: You comrades rendered meritorious service in the quelling of the counterrevolutionary rebellion and made great contributions. Now after going through the trouble of travelling a long distance, you have brought your spirit of dauntless revolutionary heroism and the spirit of patriotism to the people of Sichuan. This has inspired us very much. We must learn from your fine spirit and good ideology, and take you as an example to do better in Sichuan's various fields of work.

Wan Haifeng, Gao Shuchun, and the report group head (Li Pengdai) also spoke at the meeting. [passage omitted]

### **Sichuan Leaders Attend Anti-Rebellion Meeting**

HK2208104789 Chengdu Sichuan Provincial Service  
in Mandarin 2200 GMT 21 Aug 89

[Excerpts] Yesterday morning, at the Jincheng Art Palace, Chengdu, the visiting group of heroes and models from Beijing who are here to give talks on heroic deeds in the quelling of the counterrevolutionary rebellion, gave its first report meeting after arriving in Sichuan Province. The report meeting served as a vivid lesson to the audience on the necessity of upholding the four cardinal principles and opposing bourgeois liberalization, and on patriotism and revolutionary heroism.

Present at yesterday's report meeting were Secretary of the provincial party committee Yang Rudai; Political Commissar of the Chengdu Military Region Wan Haifeng; Deputy Commander of the Military Region Zhang Taiheng; Commander of the Chengdu Air Force unit Hou Shujun; Political Commissar of the Chengdu Air Force unit Bi Hao; member of the Central Advisory Commission Lu Dadong; Chairman of the provincial Advisory Commission Xu Mengxia; Secretary of the provincial Discipline Inspection Commission Cao Qingze; member of the Standing Committee and Director of the Propaganda Department of the provincial party committee Xu Chuan; Vice Chairman of the Standing Committee of the provincial People's Congress Wang Ao; Vice Governors Xie Shijie, Ma Lin, Han Banyan, and Pu Haiqing; Chairman of the Chinese People's Political Consultative Conference provincial Committee Liao Bokang; Commander of the provincial Military District Zhang Changshun; Political Commissar of the provincial Military District Gao Shuchun; Chengdu Mayor Diao Jinxiang; the responsible comrades of the provincial organs concerned; and representatives of all the departments, commissions, and bureaus at the provincial level, PLA units stationed in Chengdu, the Armed Police Force units, and the public security sector. A total of more than 1,500 people attended the report meeting. [passage omitted]

Secretary of the provincial party committee Yang Rudai delivered a speech at the report meeting. He said: We must emulate our heroes' and models' firm loyalty to the

party, the people, and to the socialist motherland, as well as their class feelings which enable them to make a clear demarcation between right and wrong, and to be clear about what to love and what to hate. We must follow the example of these heroes and models, draw inspiration from their revolutionary spirit, give full play to this revolutionary spirit in our own posts, and thus promote the development of all sectors.

Yesterday's report meeting was sponsored by the Propaganda Department of the provincial party committee, the working committee of the organs directly under the provincial authorities, and the political department of the provincial military district.

### **Sichuan Capital Residents Report Normalcy**

HK2108035389 Hong Kong SOUTH CHINA  
MORNING POST in English 21 Aug 89 p 8

[By Seth Faison in Chengdu]

[Text] Traces of the violence that overtook Chengdu in early June are as evident on the main streets as in the conversations of ordinary people in the back alleyways and tea-houses that fill the bustling city.

The rioting, which Chengdu officials say was the worst in China outside of Beijing, left about eight dead and several million yuan lost in the merchandise, vehicles and buildings that were destroyed.

Two men have been executed and several hundred suspects arrested, many of them still under investigation, city officials said.

"Life in Chengdu is already back to normal. But we went through something we will never forget," said Mr Lu Ganxu, general manager of the Chengdu People's market, which was razed on June 8.

If the upbeat mood that characterises the Sichuanese is still visible in the active nightlife of cafes and dance halls, memories of the rioting remain strong.

In Mr Lu's market, now re-opened for business charred beams are one reminder. Long queues of agitated customers seeking delivery of washing machines and refrigerators, delayed by the chaos, are another.

Near the Mao Zedong statue in the city centre, a glass case displaying public announcements of 36 of those sentenced to prison terms continues to draw a steady crowd.

Interviews with city officials on any topic inevitably lead to the effects of the "serious rioting", as the unrest has been officially described.

"I suppose you want to know about the effects of the serious rioting on our business," said Mr Zhao Hanwen, deputy general manager of a company that specialises in labour export.

Unprompted, Mr Zhao then gave a lengthy speech on his own views of the unrest in Beijing.

As in the capital, the unrest was sparked by six weeks of student demonstrations, that local officials—mimicking their superiors in the central Government—allowed to continue unimpeded until June 4.

Led by Sichuan party secretary Yang Rudai, officials were apparently reluctant to take action as long as they got mixed signals from Beijing. They were frequently reduced to checking with Chengdu journalists for the latest news from the capital.

The period of official tolerance, again taking a cue from Beijing, was clearly over on June 4.

On that morning, public security officials took into custody still occupying People's Square.

But as word—some of it no doubt exaggerated—of the violence in Beijing spread through the city, several thousand students tried to march back to the square. This time police blocked the roads.

What followed, by all accounts, was an orgy of violence that was not brought under control for four days. About 1,800 were injured and 353 people, including 231 policemen, required hospitalisation.

A diplomat, familiar with the region, said it was generally assumed that 20 to 30 people died, but local journalists insist that the Government toll of eight dead was accurate.

Leading the attacks, officials and witnesses agree, were unemployed youths and peasants from the surrounding countryside, many of whom looted stores and hotels.

### **Tibet Meeting Discusses Financial Problems**

*HK2108062689 Lhasa Tibet Regional Service  
in Mandarin 1030 GMT 19 Aug 89*

[Excerpt] Hu Jintao, secretary of the regional party committee; Mao Rubai, vice chairman of the regional people's government; and Qu Jinnan, vice chairman of the regional Chinese People's Political Consultative Conference attended a regional financial work conference on 19 August. On behalf of the regional party committee and the regional people's government, they extended their best regards to cadres and workers who work hard on the financial and tax fronts year in year out, and make concrete demands on the stern financial situation in the region in the remaining 5 months of the year.

Speaking at the meeting, Mao Rubai, vice chairman of the regional people's government, pointed out: The present regional situation in production and finance remains very stern. The index of industrial and transport production from April to July picked up every month but the regional industrial output value by the end of

July was 80.936 million yuan, accounting for 36.8 percent of the annual plan and a drop of 9.07 percent against the same period of the previous year. The regional expenditure from January to July this year increased by 7.5 percent over the same period last year, and expenditure in the second half of the year may be bigger. He said: When our country is in extreme financial difficulties, it is very hard to completely depend on the central government to solve our financial problems. We must, therefore, keep a clear head.

Secretary Hu Jintao emphasized at the meeting: We must have a correct understanding of the financial situation our region is faced with. In the coming 5 months, we must work very very hard on increasing income and cutting down expenditures. He also said: It is necessary to resolutely collect all taxes which should be collected by strictly applying laws and regulations, as well as policies. While receiving fixed financial subsidies from the central government, Tibet should all the more develop the spirit of self-reliance and increase its own financial resources. From a long term point of view, we must be resolved to develop the spirit of self-reliance and increase financial resources. Hu Jintao stressed that we must foster a firm idea of leading an industrious and frugal life and develop the spirit of working hard under difficult conditions. This accords with the overall interests of the country and also tallies with the actual situation in Tibet; and it is a long-term matter. Financial departments at all levels should strengthen their work and save more money to develop agriculture, transportation, energy, science, technology, and education; and work well as housekeepers of governments at different levels. [passage omitted]

### **Tibet Commentary Condemns 'Dalai Clique'**

*HK2408035989 Lhasa Tibet Regional Service  
in Mandarin 1030 GMT 23 Aug 89*

[Station commentary: "Bloody Evidence and Disgraceful End"]

[Text] The cases of (Danzim Puncog) and (Ouzhu) that have just been cracked by the regional state security department, and many other ironclad facts show once again that the secret service of the so-called government-in-exile of the Dalai clique played a part in the Lhasa riots.

In recent years, the government-in-exile set up abroad by the Dalai clique has on the one hand played a part in stirring up riots in Lhasa, and on the other, has tried to deceive the public and mass media using the camouflage of nationalism, freedom of religious faith, and human rights. The cases of (Danzim Puncog) and (Ouzhu) clearly show people that the Lhasa riots were by no means nationality and religious issues and had nothing to do with democracy, freedom, and human rights. In fact, these riots were premeditated political criminal activities plotted by separatists at home and abroad with the aim of splitting the motherland.



(Danzim Puncog) and (Ouzhu), who were still serving the secret service of the separatist forces, were finally trapped by the net of justice spread by the people. They will certainly be tried by the people and history. Similarly, any separatists at home or abroad vainly attempting to separate Tibet from the motherland are doing nothing but lifting a rock to drop on their own feet. They are bound to come to a disgraceful end!

### North Region

#### Beijing Papers Publish Deng Articles

HK2408083689 Beijing XINHUA Hong Kong Service  
in Chinese 0425 GMT 24 Aug 89

["Beijing Papers Today Carry Three Deng Xiaoping Articles"—XINHUA headline]

[Text] Beijing, 24 Aug (XINHUA)—JINGJI RIBAO, GUANGMING RIBAO, and ZHONGGUO QINGNIAN BAO today respectively selected an article from the just published "Selected Works of Deng Xiaoping" and published it on the front page.

The article selected by JINGJI RIBAO was entitled "The Main Task From Now On Is Construction," which was part of a speech made in April 1957, by Deng Xiaoping during a cadre meeting in Xian. Deng Xiaoping pointed out in the speech that after fulfilling the duty of revolution the main duty for the Communist Party would be economic construction. He thinks that whether the task of construction can be done well depends upon the leadership of the party, and on whether the party can rely on the masses.

It is noteworthy that this chief architect of China's reform and opening up had already pointed out that to launch construction it was "necessary to learn every advanced experience in the world," including those of the United States. He also stressed that to launch construction it was necessary to consider China's practical situation.

The editor's note in the newspaper says: Considering China's situation and building socialism with Chinese characteristics, it is Deng Xiaoping's consistent thought, which at present still has guiding significance.

The article selected and carried by GUANGMING RIBAO is from Deng Xiaoping's "Report Delivered at the Southwest Conference on Press Work" in May 1950; the article focuses on the problems of how to run newspapers and broadcasts well, and on how leaders at various levels attach importance to press work. He pointed out: "Three conditions are needed for running newspapers well: consider the reality, establish ties with the masses, and criticism and self-criticism." But he stressed that the prerequisite for running newspapers well is party leadership. He said: Newspapers without party leadership have no strength, and are prone to "record everything they hear."

The article selected and carried by ZHONGGUO QINGNIAN BAO is Deng Xiaoping's speech delivered when he received delegates participating in the Conference on Work of the Central Committee of the Communist Youth League in October 1961, and entitled "Advocating Thoroughgoing and Painstaking Work." Stressing the need for thoroughgoing and painstaking work, Deng Xiaoping pointed out that "in the final analysis, a thing is always created painstakingly by all the people, and that is ultimate."

#### Wu Shuqing Named Beijing University President

##### New Party Secretary Presides

OW2308130789 Beijing XINHUA in English  
1218 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—Wu Shuqing, 56, former vice president of the People's University of China, was appointed president of Beijing University today, succeeding 62-year-old Professor Ding Shisun.

In another change today, 42-year-old Lin Yanzhi, who had served as secretary of the Beijing municipal committee of the Chinese Communist Youth League, was made deputy secretary of the Beijing University Communist Party Committee.

He Dongchang, vice minister of the State Education Commission presented President Wu with a certificate of appointment signed by Premier Li Peng at an inaugural ceremony held on the campus this afternoon. About 150 officials were in attendance.

The vice minister said that Ding Shisun did "much beneficial work" during his tenure. The mathematician was appointed to his four-year term as university president in March 1984.

The vice minister said he hoped that the university will adhere to a socialist orientation and train a large number of "red and expert" personnel who have both "ability and political integrity."

Former President Ding said it was good to have people from a brother university and another unit as leaders of the university, saying that they can bring with them "precious experience and excellent traditions." He expressed the hope that Beijing University will improve with each new term.

Professor Ding said that as early as January 1988 he had asked to leave the post for health and other reasons. "I will continue to tutor post-graduates and do a good job in teaching," he added.

The new president said that it is a "hard assignment and heavy responsibility" to be the president of the most prestigious university in China, but he said he is confident that he can run the school well with support from the university party committee and faculty.

Lin Yanzhi said he will unite with all the comrades of the university and devote himself to the university. Today's meeting was presided over by Wang Xuezheng, secretary of the university party committee.

#### Paper Notes Timing

HK2408024589 Hong Kong SOUTH CHINA MORNING POST in English 24 Aug 89 p 7

[By Seth Faison in Beijing]

[Text] A new president of Beijing University, Mr Wu Shu-qing, was formally appointed yesterday, ushering in what students expect to be a new era of tough, conservative control over their activity and education.

Mr Wu, 56, formerly the vice-president of People's University, succeeded Mr Ding Shisun, a favourite among students who was noted for his bold support for liberal education.

Mr Ding's removal was widely expected in the wake of the massive student movement that began and was largely headquartered at Beijing University, the most prestigious in China.

In a ceremony held on campus yesterday, education vice-minister He Dongchang called for a "socialist orientation" that would "train a large number of 'red and expert' personnel", according to the New China News Agency.

His comments marked a clear step towards heavier political emphasis—gradually diminished since the Cultural Revolution—in every aspect of university life.

A certificate from Prime Minister Li Peng, believed to have been behind recent moves to step up military training and political study for students, was presented to Mr Wu.

All incoming freshmen at Beijing University this autumn will be sent for a full year's military training instead of regular study.

The announcement of Mr Wu's appointment appeared to be timed to avoid negative student reaction, as classes at the university are not scheduled to begin until October, and few students were on campus yesterday.

In his speech, Mr He saluted the outgoing president weakly as having done "much beneficial work" during his tenure of five years.

Mr Ding is believed to have wanted to leave the post for some time because of the intense political pressure, but was persuaded to remain by leaders who presumably thought he might have a restraining effect on students.

Mr Ding and other university officials, believed to be sympathetic to the students, were notably quiet during the early stages of the democracy movement, when it would have been easiest to defuse.

Mr Ding said he would stay on at the university as a professor.

#### Beijing Teachers To Undergo Retraining

OW2408030589 Beijing XINHUA in English 0656 GMT 23 Aug 89

[Text] Beijing, August 23 (XINHUA)—Teachers in middle and primary schools in Beijing will be retrained to renew their education concepts and enlarge their knowledge so as to further improve their teaching.

The Beijing Education Bureau has stipulated that new teachers should receive 120 hours of training and all primary and middle school teachers, 180 to 360 hours of retraining every five years.

The bureau has also allocated 3.7 million yuan to buy facilities for the language labs and computers in the retraining effort.

The Beijing Education Bureau has trained 90,000 primary and middle school teachers in the past 10 years.

#### Chen Xitong Attends Beijing Economic Conference

OW2408062989 Beijing Television Service in Mandarin 1300 GMT 19 Aug 89

["Conference on Collective Economies in Cities and Towns in Beijing"—caption on the screen—from the "Night News" program]

[Text] A meeting to discuss the operation of collective economies in cities and towns in the Beijing area took place in the capital this afternoon. State Councillor Chen Xitong attended the meeting. [video shows wideangle shots of a theatre-like conference hall, showing the backs of attendees on the front rows, and people on the stage; video then cuts to closeup shots of Chen Xitong, medium closeup shots of unidentified officials, closeup shots of a representative reading from notes, and medium closeup shots of the attendees]

During the meeting, representatives of the Donghuamen Labor Service Company, the Dawencha Commercial and Trade Company, and the Huaying Service Company under the Administrative Office of the Air Force Headquarters briefed the audience on how they took a clear-cut stand in combatting upheaval and worked hard to seize back the losses caused by the upheaval.

Huang Chao, vice mayor of Beijing, presented to the Dawencha Commercial and Trade Company a scroll with Li Peng's handwritten message to the collective economies. The message reads: Work hard to run socialist collective enterprises well. [video shows an official holding high a scroll with Li Peng's handwritten message; Chen Xitong is seen standing behind a long conference table, clapping, as the message is shown to the audience. The scroll shows that Li Peng wrote the message on 28 June 1989]

**Inner Mongolia People's Congress Committee Meets**  
*SK2308051789 Hohhot NEIMENGGU RIBAO*  
*in Chinese 25 Jul 89 p 1*

[Excerpts] The seventh Standing Committee meeting of the seventh regional People's Congress opened on 24 July.

Batubagen, chairman of the regional People's Congress Standing Committee, presided at the meeting. Present at the meeting were Butegeqi, Zhang Cangong, Seyinbayaer, Xu Lingren, Bai Junqing, Liu Zhenyi, and Sha Tuo, vice chairmen of the regional People's Congress Standing Committee.

Present at the meeting as observers were Wen Jing, vice chairman of the region; Yang Dalai, president of the regional Higher People's Court; and Zhang Hesong, chief procurator of the regional People's Procuratorate. [passage omitted]

At the meeting, Butegeqi relayed the major guidelines of the eighth Standing Committee meeting of the seventh National People's Congress, and Batubagen gave a speech. [passage omitted]

The meeting's participants listened to the report on checking turmoil and safeguarding the social stability of the region, made by Shi Zhankuan, responsible person of the regional public security department, with the entrustment of the regional People's Government.

The meeting's participants listened to the report on launching anti-corruption activity, with a focus on opposing graft and bribery, made by Han Wengui, director of the regional supervisory department, with the entrustment of the regional People's Government.

The meeting's participants also listened to the report on dealing blows to graft, bribery and other crimes, made by Zhang Hesong, chief procurator of the regional People's Procuratorate.

Also present at the meeting as observers were responsible persons of People's Congress standing committees of various cities directly under the jurisdiction of the regional authorities; responsible persons of People's Congress work offices in various leagues; responsible persons of various pertinent commissions, offices, departments, and bureaus in the region; and responsible persons of organs and commissions under the regional People's Congress Standing Committee.

**Northeast Region**

**Heilongjiang's Sun Speaks on Ideological Work**  
*SK2108002389 Harbin Heilongjiang Provincial*  
*Service in Mandarin 0900 GMT 13 Aug 89*

[Text] After a 5-day session, the provincial meeting of propaganda department directors satisfactorily ended at Harbin (Heping) conference hall this morning.

The meeting was presided over by Qi Guiyuan, member of the Standing Committee of the provincial party committee and director of the propaganda department.

Present at the meeting were leading comrades of the provincial party committee, the provincial advisory commission, the provincial People's Congress, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], and the provincial discipline inspection commission, including Sun Weiben, Wang Zhao, Wang Luming, Zhou Wenhua, Wang Haiyan, Chen Yunlin, Ma Guoliang, Xie Yong, and Zhang Xiangling.

During the meeting, the participants conscientiously studied the documents adopted at the national meeting of propaganda department directors, made preliminary summaries of and repeatedly pondered the experiences and lessons gained by the propaganda and ideological front during the past few years, and fully discussed and exchanged views on the issue concerning understanding and implementing the guidelines of the CPC Central Committee's circular on strengthening propaganda and ideological work.

Leading comrades of the provincial cultural department, the provincial radio and television department, HEILONGJIANG RIBAO, the provincial press and publishing bureau, the provincial institution of social science, the provincial federation of literary and art circles, the provincial federation of social science societies, and FENDOU ZAZHI made speeches on issues concerning consolidating the cultural market, the market of audio-video products, and markets of books and periodicals, and on strengthening the guidance and supervision over the press and mass media.

They maintained: The provincial meeting of propaganda department directors was convened against a backdrop where the people from higher to lower levels in the party conscientiously correct Zhao Ziyang's practices of weakening and eliminating the ideological and political work, and strive to make the ideological theories that have been confused over the last few years return to their original form. So, we may say that this meeting is one through which the provincial propaganda and ideological front shall extricate itself from a difficult position, realize a turn for the better, and welcome a new beginning.

Sun Weiben, secretary of the provincial party committee, made a speech entitled "The Whole Party Must Pay Full Attention to Ideological Work."

He said that with regard to the province's propaganda and ideological work, we should at present attend in a concentrated manner to several practical work tasks, as follows:

First, we should conscientiously organize the study of the documents of the fourth plenary session and the basic Marxist theories, extensively and deeply conduct education on the party's basic line of focus and two basic points, and correct the ideological theories that have



been confused by bourgeois liberalization over the past few years and return them to their original form.

Second, we should resolutely and appropriately consolidate the propaganda, mass media, and cultural fronts. In line with the requirements set forth in the circular of the central authorities and according to actual provincial conditions, we should concentratively conduct consolidation in the following five spheres: 1) Conduct consolidation in the ideological sphere. Taking the party focus and two basic points as criterion, we should comprehensively and thoroughly sort out the wrong theoretical viewpoints and works in the political, economic, ideological, and cultural fields that run counter to the four cardinal principles and spread the thinking of bourgeois liberalization. 2) Consolidate organizations. We should comprehensively examine the statements and actions of party-member cadres in the propaganda and ideological front during this incident. Those with wrong statements and actions should be criticized and educated or be punished according to organizational discipline. 3) Consolidate the press and periodicals, broadcast programs, and publications. According to relevant regulations, we should resolutely stop and control a number of unconditionally excessive and worn-out press, periodicals, and publications. We should make the most of limited financial and material resources and manpower and concentrate efforts on ensuring fewer but better papers, periodicals, and publications. 4) Consolidate the cultural market. According to law, we should resolutely take over and eliminate reactionary and pornographic publications. Those who sell, spread, and hide reactionary and pornographic publications should be attacked resolutely but not leniently. We should resolutely stop reactionary and pornographic publications from spreading to various channels in the province. 5) Consolidate institutions of social science, literary and art groups, and various associations and societies. The consolidation should be carried out persistently and strictly instead of just touching on the work lightly, superficially, or perfunctorily. Meanwhile, we should embody the maturity of the party in guiding the ideological work, and handle affairs strictly according to policies and law. We should persistently link consolidation with development. Through consolidation, we should promote the smooth progress of theoretical, press and publication, cultural, and artistic undertakings.

Third, we should vigorously strengthen and improve ideological and political work; and conduct education on patriotism, socialism, self-independence, arduous struggle, and the observance of law and discipline. Based on the reality in which changes have taken place in China's social and economic structures since the implementation of the reform and opening-up policy; and proceeding from the different characteristics of different social groups, such as workers, peasants, intellectuals, young students, and party and government cadres; we should set up a pattern of ideological and political education with a foundation of mass ideological and cultural construction, and conduct the ideological and political education among each layer.

Fourth, we should further attend to the work of summing up experiences. We should pay particular attention to summing up the experiences in and drawing lessons from correcting the situation of handling affairs with hard tactics on the one hand and with soft methods on the other, setting the adherence to the four cardinal principles against the opposition to bourgeois liberalization, constantly and effectively conducting ideological and political education, and using socialist ideology to occupy the propaganda, mass media, and cultural fronts.

With regard to the issue concerning strengthening the party's leadership over the ideological front, Comrade Sun Weiben said: Party committees at various levels should realistically strengthen the leadership over propaganda, theoretical, press and publication, cultural, and artistic work. Party organizations at various levels should concentrate their main time and energy on conducting ideological and political work and the work toward the people. We should work out some hard and fast rules for conducting the ideological and political work, and gradually institutionalize and standardize the rules.

Comrade Sun Weiben stressed: We should strive to set up a rank of socialist-minded and professionally proficient propaganda cadres. At present, first, we should install the propaganda departments at various levels with keen-witted and capable personnel. Meanwhile, we should transfer, in a planned manner, a group of excellent comrades with political awareness and theoretical knowledge to the rank of propaganda cadres. Particularly, we should vigorously strengthen the construction of the ranks of political workers among universities and colleges. Enterprises should be installed with political work cadres according to the principle of not exceeding 1 percent of the total staff and workers. Second, specialized titles should be given to political work cadres. We should train, in a planned and step-by-step manner, in groups, and by stages, the cadres in the propaganda and ideological front before and during their services. Meanwhile, in accordance with the principle of seeking truth from facts, we should help the propaganda cadres solve their practical problems and difficulties, sum up experiences, improve their work, and bring into full play their initiative, enthusiasm, and creativeness.

Zhou Wenhua and Wang Haiyan, deputy secretaries of the provincial party committee; Wang Zhao, chairman of the provincial CPPCC committee; Wang Luming, chairman of the provincial advisory commission; He Shoulun, vice chairman of the provincial People's Congress; and Qi Guiyuan, director of the propaganda department of the provincial party committee, respectively made speeches at the meeting.

#### **Official Speaks at Heilongjiang Price Meeting**

*SK1808133789 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 1 Aug 89*

[Text] The national conference on making work arrangements for bringing commodity prices under control opened in the city of Harbin on 1 August. Major items on

the conference's agenda are to discuss the issues of enhancing price management to ensure the basic stability of markets, and exchanging the experience gained by Heilongjiang Province in carrying out the 383 projects to bring commodity prices under control and the experience gained by other provinces and cities in this regard.

Attending the work conference were secretaries general of the people's governments, who are in charge of specific planning work; directors of price bureaus; responsible persons of the departments concerned under the State Council; special observers dispatched by the state apparatus to various provinces; and responsible persons from the offices in charge of the 383 projects and the price departments at prefectural and city levels throughout Heilongjiang Province.

At the work conference on 1 August, Cheng Zhiping, director of the State Administration of Commodity Prices, delivered a speech on the work arranged for bringing commodity prices under control in the second half of this year. Chen Yunlin, member of the provincial party Standing Committee and vice governor of Heilongjiang Province, also delivered a speech on behalf of the provincial party committee and the provincial people's government to extend a welcome to all participating comrades.

In his speech, Director Cheng Zhiping stated: Judging from the country's general situation in the first half of this year, the trend of price hikes was gradually subsiding, and marketing activities were gradually stabilizing. However, the fulfillment of the target of having the scale of price hikes in 1989 show an obvious decrease over 1988 remains arduous.

After analyzing the currently difficult point and prominent contradiction of bringing commodity prices under control across the country in his speech, Director Cheng Zhiping put forward the following concrete opinions on the price work for the second half of this year: In the second half of this year, efforts should be made to unswervingly implement the principle and target set forth by the 4th Plenary Session of 13th CPC Central Committee with regard to bringing commodity prices under control. In the second half of this year, we should uphold the following in conducting price work: 1) the target of having the scale of price hikes in 1989 show an obvious decrease over 1988 should remain unchanged; 2) the principle of having the work of conducting reform and construction in 1989 render service or be subordinate to the forementioned target should remain unchanged; and 3) the demand of bringing commodity prices under strict control should remain unchanged. To this end, governments at all levels should realistically enhance their leadership over the price work and further unify their thinking to vigorously enforce the experience gained by many localities with regard to having leading personnel be in charge of the work, dividing tasks in the

work carefully, enforcing systematic management over market prices, consolidating commodity prices in a comprehensive way, and ensuring market supply and sales adequately; and particularly the experience gained by Heilongjiang Province in enforcing the 383 projects to bring commodity prices under control. They should mobilize various localities and departments to mutually fulfill the tasks of bringing commodity prices under control this year and to continuously bring under strict control the commodities whose prices are rising. In the second half, governments at all levels will not be allowed to issue any measures for price hikes except under the special approval of the State Council. Efforts should be made to stabilize the prices of commodities basically needed for the people's livelihood and the prices of major foodstuffs, and particularly of nonstaple foodstuffs. The work emphasis should be placed on consolidating the prices of basic products that can exert an extremely large influence and whose price hikes are extremely high. Strenuous efforts should be made to consolidate the order of commodity circulation; to resolutely correct the practice of raising prices by selling commodities at other places; and to adequately readjust the prices of commodities whose price hikes are extremely high, whose differential rate of prices is extremely large, and which are unsalable and overstocking; to enhance management over rural market prices; to strictly enforce the law and discipline concerning commodity prices; and to continuously enhance price supervision and inspection. While enhancing price and market inspection, we should concentrate on carrying out price inspection over the products of coal, petroleum, cotton, and timber.

#### **Liaoning Teacher Arrested as Counterrevolutionary**

SK2208131989 Shenyang LIAONING RIBAO  
in Chinese 20 Jul 89 p 1

[Text] With the approval of the Benxi City People's Procuratorate, the Benxi City public security department recently arrested Li Dejun, teacher of the Caohekou Peasants' Middle School of Benxi County, on a charge of counterrevolutionary instigation.

Taking advantage of the turmoil in Beijing in May this year, 25-year-old Li Dejun sent counterrevolutionary letters continuously to 13 colleges and universities in Beijing, Shanghai, Tianjin, Nanjing and Xian. On 18 May, Li Dejun again put up a big-character poster reading "Support the petition of college student hunger strikers" at the Caohekou railway station to incite workers and peasants to cooperate with students to establish the "association for promoting the multi-party system." He urged college students to make contacts with him, establish a coalition organization, and exercise unified leadership and action. In his counterrevolutionary letters, Li Dejun energetically advocated bourgeois liberalization, lavished praise on Fang Lizhi and others, and viciously attacked party leadership. He was swollen with counterrevolutionary arrogance.

**Taiwan Reporter Denies Confessing to Officials***HK2408053989 Hong Kong MING PAO in Chinese  
24 Aug 89 p 9*

["Special Dispatch: "Huang Teh-pei Denies Confessing Anything About the 'Underground Passageway,' Says the Ministry of State Security Worked out a Blacklist Based on His Address Book"]

[Text] Taipei—Taiwan TZULI WANPAO [Independence Evening News] reporter Huang Teh-pei denied confessing to the Ministry of State Security anything about the "underground passageway" during his detention in Beijing last month. He said he was not clear about this passageway.

During an interview by a group of reporters yesterday, Huang Teh-pei provided the above explanations to a MING PAO reporter on several arrests resulting from his confession in Beijing.

Huang Teh-pei said that during his 8-day detention, the mainland Ministry of State Security wanted him to "admit his crimes." He did not abstain from mentioning the names of those he had interviewed, because there had been press reports on them. Huang Teh-pei did not think that his confession had exposed the underground passageway, nor did he think that the "material" of his confession was confidential. He himself heard of the "underground passageway" from press reports, so this passageway had not been exposed because of his confession. Huang Teh-pei said that the mainland Ministry of State Security obtained the names of some Hong Kong and Macao personages and reporters from the namecards and address book the ministry had confiscated from him. This was not the result of his "confession," he remarked.

But according to the information MING PAO has obtained, the material in the hands of mainland state security personnel also includes Huang Teh-pei's oral and written confession apart from the namecards, address book, and other documents that have been confiscated.

**Li Xiannian Comments on Turmoil****Criticizes U.S. 'Meddling'***OW2408091389 Beijing Domestic Service  
in Mandarin 0930 GMT 23 Aug 89*

[Text] Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], met with Mr Xie Xuexian, first vice president of the Alliance for the Unification of China and director general of the Young China Party in Taiwan, and his group in the Great Hall of the People on the afternoon of 23 August.

Chairman Li Xiannian briefed the guests on the situation of putting an end to the turmoil and quelling the counterrevolutionary rebellion in Beijing not long ago.

He reaffirmed that the one country, two systems policy of the Chinese Government toward Taiwan will remain unchanged. Li Xiannian said the Chinese people look forward to a peaceful international environment in which to carry out construction and build their country. He said: All the people of the world now desire peace and look forward to developing their country. It is a trend of the world. We must conform to the trend of the times.

Li Xiannian pointed out: The Chinese people must have high aspirations. China has never violated the sovereignty of another country, and it will absolutely not allow any foreign country to interfere in its internal affairs.

Li Xiannian said: The population on the mainland has now reached 1.1 billion. It is an extremely difficult job to solve problems of providing adequate clothing, food, housing, and transportation for a population of 1.1 billion. China cannot entirely depend on foreign countries. Therefore, it is necessary for China to adhere to the guiding principle of maintaining independence and keeping the initiative in its own hands. Even so, China will never close the country to international intercourse. China's policy of persisting in reform and opening to the outside world will remain unchanged.

Meanwhile, Li Xiannian also criticized some people in the U.S. Congress for meddling in the internal affairs of China. He said: The U.S. Congress has no right to poke its nose into the affairs of other countries at will.

Mr Xie Xuexian hoped that the motherland will be reunified at an early date. He said the purpose of his visit to the mainland this time is to have a better understanding of the situation here.

Li Xiannian praised and admired his stand on upholding reunification of the motherland. He said he is welcome to travel to various localities and look around.

Qian Weichang, vice chairman of the CPPCC National Committee, and others attended the meeting.

Mr Xie Xuexian and his group, totaling four persons, arrived in Beijing on the afternoon of 22 August to begin their visit to the mainland at the invitation of the CPPCC National Committee.

The Committee for Reunification of the Motherland of the CPPCC National Committee exchanged views with the guests on the issue of motherland reunification on the morning of 23 August.

**Reaffirms Reunification Policy***OW2308145489 Beijing XINHUA in English  
1358 GMT 23 Aug 89*

[Text] Beijing, August 23 (XINHUA)—Veteran leader Li Xiannian reaffirmed here today that the Chinese Government will continue to work for Taiwan's peaceful reunification with the mainland under the "one country, two systems" policy.



"We will not change this policy," said Li, who is chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

He made the statement at a meeting with Shu-hsien Hsieh, first vice president of the Alliance for the Unification of China and director general of the Young China Party in Taiwan.

Praising the visitor for coming to see the mainland with his own eyes, Li briefed him on the recent anti-government riots in Beijing.

Li said that the Chinese Communist Party and the government had exercised great restraint in dealing with the riots, which were schemed by a number of people who were opposed to socialism and Communist Party leadership and attempted to subvert the People's Republic.

Li also criticized the Voice of America for spreading rumors and the U.S. Congress for interfering with China's internal affairs. He asked what right the U.S. Congress had to poke its nose into the affairs of other countries. Li said: "China simply does not care about all this. Otherwise, how could we follow the principles of self-reliance and independence?"

Discussing the international situation, Li said he believes that peace and development are the main current of the present day world. China, like other developing countries, wishes to have a peaceful international environment and domestic stability.

Hsieh thanked Li for meeting him.

CPPCC Vice Chairman Qian Weichang, who attended the meeting, later hosted a dinner in honor of Hsieh.

**Taiwan 'Special Agents' Captured in Fujian sl  
OW2308213689 Fuzhou FUJIAN RIBAO  
in Chinese 13 Aug 89 p1**

[By An Ban (1344 6586)]

[Text] According to information from the national security department in Fujian, the national security departments in various localities throughout the province have recently cracked some cases involving Taiwan Kuomintang special agents who participated in the recent turmoil.

With the coordination of the relevant departments, the national security organ in Quanzhou City had cracked two cases on 22 and 29 June involving agents of the military intelligence bureau in Taiwan. It detained Taiwan agents Wu Fuyuan [0702 1788 0337] and Zheng Shousong [6774 1108 2646] according to law, and captured a code book and other criminal evidences used for making contacts and carrying out other spy activities.

Wu Fuyuan, alias Li Dahai [2621 6671 3189], male, age 61, was a retired cadre of a certain factory in the city of Quanzhou. In April 1985 when he was outside of China, he joined a spy organization under military intelligence in Taiwan, and later sneaked back to Fujian to carry out activities. During the recent turmoil in the country, Wu Fuyuan acted upon instructions from the Taiwan spy organization and stepped up his efforts in collecting information regarding student unrest and turmoil. After the counterrevolutionary rebellion was quelled, the Taiwan spy organization instructed him to "go underground" and wait for the chance to continue his activities.

Zheng Shousong, alias Cheng Daye [2052 1129 2814], male, age 38, was a worker of a certain factory in Quanzhou. In August 1988, Zheng Shousong was recruited by a Taiwan spy organization. During the recent turmoil, Zheng had vigorously carried out activities to collect information regarding student unrest and to forward it to the Taiwan spy organization.

With the coordination of relevant departments, the national security department in Putian City cracked on 22 June a case involving special agent Lin Tianlin [2651 1131 7792] sent by the military intelligence bureau in Taiwan.

Lin Tianlin, male, age 43, was born in Putian City. During the turmoil in May this year, Lin Tianlin was recruited outside of China by the military intelligence bureau in Taiwan, and joined a spy organization. This organization had given Lin some special training, and made arrangements to send him back to the mainland to confuse and poison people's minds and stir up unrest in society. Right after Lin Tianlin's entry into China, he was captured by China's national security organ.

All the aforementioned cases involving Taiwan special agents are under further investigation.

**Agent Caught in Shaanxi**

*HK2408035789 Xian Shaanxi Provincial Service  
in Mandarin 2330 GMT 23 Aug 89*

[Text] The state security organ of Shaanxi Province recently cracked a case involving a secret agent missioned by the Taiwan Kuomintang military intelligence agency.

Secret agent (Liu Weihong) fled China in March 1981. He was later recruited as a secret agent by the Taiwan military intelligence agency. During the recent turmoil in China, (Liu Weihong), missioned by the Taiwan secret agency, sneaked into the mainland to collect intelligence and develop espionage organizations. Through well-planned and meticulous investigations, the state security organ recently caught (Liu Weihong). This case is now being tried.

### **Government Considers Allowing Mainland Reporters**

*OW2308122189 Taipei International Service  
in English 0200 GMT 21 Aug 89*

[Text] Authorities have announced that they are considering lifting a longstanding ban on allowing mainland reporters to cover news in Taiwan. The authorities, who recently denied that mainland reporters can write truthfully about Taiwan, said the only remaining questions are when to lift the 40-year-old ban and whether there will be undesirable consequences.

The announcement was made by the cabinet's Research Development and Evaluation Commission. Research scholars and media representatives at a recent meeting unanimously favored opening the door to mainland reporters, pointing out that the mainland has extended the same privilege to Taiwan reporters for 2 years.

Under the National Security Law, Chinese Communist Party [CPC] members may not enter Taiwan unless they renounce their membership. This clause has caused problems because many of the dignitaries who have been invited to visit Taiwan are CCP members.

During the meeting, some scholars expressed fear that some mainland reporters would distort news about Taiwan, but the fear was dismissed by other participants who claimed that an open and democratic society can not base its policy on such predictions.

### **Commentary Views Future Ties With Hong Kong**

*OW2308122489 Taipei International Service  
in English 0200 GMT 15 Aug 89*

[Commentary by Joanna Fu: "Hong Kong Ties To Continue Past 1997"]

[Text] A ranking official in the Cabinet of the Republic of China on Taiwan announced in a speech on Saturday that the government here would continue to maintain close ties with Hong Kong, even after the British colony falls under Chinese Communist rule in July 1997. Although 8 years away still, the Hong Kong issue is nevertheless a hot topic among Chinese everywhere, if not among people everywhere.

Rumors have circulated for years reporting that Taipei would sever all relations with Hong Kong, including trade and cultural, when the colony is taken over by the Chinese Communist regime in Peking. Soon after the Hong Kong agreement was signed between London and Peking in 1984, there were indeed signs coming from Taipei to that effect. At that time, it seemed inconceivable to anyone here, at least in government, that relations between Taiwan and Hong Kong could remain normal after 1997.

The main problem has to do with overlapping claims to sovereignty in China. Both the Government of the Republic of China on Taiwan and the Chinese Communist regime in Peking lay claim to being the legitimate

sovereign in China. Were Taipei to continue its old stance of not budging on this issue, it would indeed seem difficult for Taiwan to deal with Hong Kong once it is in communist hands. Such a relationship would surely be viewed as a form of recognition of the communist regime, something Taipei is not prepared to offer.

But according to Saturday's speaker, Vice Premier Shih Chi-yang, Taipei will plan to maintain important trade and cultural relations with Hong Kong in the post-'97 era. He said maintaining such contacts with Hong Kong will not violate Taipei's ban on making official contacts with Peking. All business will be conducted with the Hong Kong authorities, as is currently the case. Last year, trade between the two capitalist minipowers amounted to \$7.5 billion.

Hong Kong also serves as the middleman for indirect trade between Taiwan and the Chinese mainland. Last year this trade reached some \$2.5 billion.

Shih made clear that Taipei would not retreat from its substantial relationship with its sister Chinese city. He cited the fact that Taipei sees continued importance for Hong Kong as a conduit for Taipei to export democracy and economic developmental ideas to the mainland.

Shih said that Taiwan and Hong Kong are like lips and teeth. They share the same fate, good or bad, in relation to Communist China. Taiwan and Hong Kong are mutually dependent and live together either in security or danger, he said.

In the meantime, as 1997 approaches, Taipei will assist Hong Kong residents in whatever way it can in their cause to maintain a free and capitalist society. If Hong Kong's fate under communist rulers precludes that, then Taipei will help Hong Kong Chinese resettle or invest on Taiwan.

Taipei would like to take a more pragmatic approach to relations with Hong Kong after 1997, but the ball is really in Peking's court. Will Hong Kong still be a desirable place to do business with then? That cannot be answered now, but Taipei will prepare for any fate that befalls Hong Kong.

### **Commentary Considers Mainland Opinion of Deng**

*OW2308122789 Taipei International Service  
in English 0200 GMT 23 Aug 89*

[Commentary by Joanna Fu: "The Fall of Teng"]

[Text] The propaganda machine in Peking is running overtime, but the effect seems to be limited. More and more mainland Chinese are unwilling to believe what they read about Communist China's paramount leader, Teng Shiao-ping, and more and more are giving up on him, calling him just another emperor who came along to oppress the people.

Sensing the mass public disapproval of Teng's rule, the Chinese Communist Party has tried in recent days to use

its various propaganda channels in the media to upgrade Teng's image. But the people are seeing through the campaign, and are not buying it.

A foreign reporter in Peking tried to conduct interviews with the man on the street about this very subject. Most people just shrugged their shoulders and walked away. Those who did dare to speak were not very kind to Teng, a leader most of them admit they once revered for his economic reforms.

Most agreed that Teng blew his chances of going down favorably in Chinese history by not stepping down when he should have. For years Teng has said he would retire, but keeps coming back into the picture under his own stated pretext that the people need him.

That line has now definitely worn out its welcome. Teng is widely blamed for ordering the massacre of innocent civilian protestors in Tienanmen Square on 4 June. That incident has sunk the Chinese Communist Party's image, and Teng's image as well, to all new depths.

Amid the bloody crackdown on dissent which has followed Tienanmen, mainland Chinese are growing increasingly wary of Teng's rule. He is now likened to Mao, a dictator who sought only to perpetuate his own rule at any cost. For Teng, these sentiments are a major turnaround. Largely credited with heralding mainland China's economic reforms, which brought rising living standards, especially among the peasant class, Teng had been held in very high esteem; that is, until he began purging his own handpicked successors, who were popular in their own right, and refused to step down.

Now 85 years old, and mostly senile, Teng is viewed as a dictator unwilling to let go of power to the very end, even if it costs him a more honorable place in Communist China's history.

When Teng emerged from obscurity in 1977, after having been purged by Mao Tse-tung during the Cultural Revolution, people heralded his return to politics by placing little glass bottles along the main avenues in Peking. Teng's first name sounds like the words for little bottle in Chinese.

But when Teng began threatening to crush the Tienanmen protestors in May, many of them took small bottles and shattered them in the square. After the massacre, Peking citizens came out in droves to smash little bottles as a sign of their discontent and withdrawal of support for Teng.

The propaganda campaign now under way to restore Teng's image is for all intents and purposes dead in the water. Teng went too far with Tienanmen, and it is unlikely that he will be able to recover. The little bottle is irreversibly broken, and that, in all fairness to Teng, is quite a shame. The man who would be popular, would be emperor instead.

### Commentary on U.S. Visas for Mainland Students

OW2308122589 Taipei International Service  
in English 0200 GMT 18 Aug 89

[Commentary by Joanna Fu: "Quite Hard To Get U.S. Visa"]

[Text] The queues are long but the hopes are short as hundreds of mainland Chinese students apply for visas to the United States each day in Peking.

As the ASSOCIATED PRESS reported earlier this week, many of the students expected to be greeted by an open door to America in the wake of the crackdown on dissent in mainland China, yet they are finding the opposite is true, as the U.S. has even closed the door a bit out of fear that many of the students do not intend to return to the mainland. Indeed, it has become harder and harder for the students to convince the U.S. Embassy visa authorities that they will return.

Before the Tienanmen incident and the ensuing crackdown, U.S. visas were given out fairly routinely to mainland students. Already some 40,000 are currently in resident study in U.S. universities. But the comparative ease of old is certainly gone for now. So suspicious are U.S. visa officers, that one official said he would bet anyone that less than 1 percent of the students would return.

Students are also lining up at the Canadian and Australian Embassies—the two other popular destinations for mainland Chinese. The Australians have put visa applications on hold because of a backlog dating from the Tienanmen incident. The Canadians are still more loose, giving out visas more freely for humanitarian reasons.

The Americans are particularly tough on those students who are not [as heard] sponsored by the Chinese Communist regime. Their reason is rather Orwellian. These students are better bets to return, since the Chinese Communists threaten to hold their families financially responsible for non-returnees. Families also have been known to pay political consequences in the form of persecution as the price for a sponsored student not returning home.

Despite increased difficulty in obtaining a U.S. visa and a decrease in students' hopes, many still try. The record number of tries by one applicant is said to be 15. Since early June, five out of every six applicants have been rejected.

The question arises then about why the U.S. refuses to treat many of the student applicants on more humanitarian grounds. On the one hand, the U.S. Congress and the Bush administration have voiced all kinds of concerns about Peking's human rights violations. They have also taken measures to ensure the safety of mainland students already in the U.S.. For starters, the U.S. Government decided to extend the visa of any student wishing to ride out the period of repression back home. Curiously, at the same time these generous measures are



taken, the U.S. Embassy in Peking makes it 10 times more difficult for mainland students to get visas. Why? It is not for us, but for the U.S. to answer. Why isn't what is good for the Canadians good for America?

To make matters worse, Peking is screening applicants ever closer, ostensibly to weed out potential counterrevolutionaries. This, coupled with the Americans and their closed door policy, has made the going quite tough for mainland students—and at time when they need U.S. sympathy most.

#### **U.S.-Based Mainland Students Arrive for Visit**

*OW2308123689 Taipei International Service  
in English 0200 GMT 15 Aug 89*

[Text] The second group of U.S.-based mainland Chinese students to visit Taiwan arrived in Taipei on Monday [14 August]. The group of 15 students and scholars assembled in Los Angeles on Saturday afternoon to begin the 2-week trip which is being financed by the newly founded foundation [words indistinct] by overseas-based mainland students.

During their stay in Taiwan, the visitors will observe various aspects of society and meet with local scholars. According to the government, the purpose of sponsoring such visits is to help improve understanding between residents on the mainland and Taiwan, and to achieve the eventual reunification of China.

The first group of U.S.-based mainland students visited Taiwan last December. Upon their departure, they said they were impressed by Taiwan's standard of living, appalled by its traffic, and inspired by its economic progress. They urged Taiwan businessmen to invest on the mainland in order to ease tension across the Taiwan Strait.

#### **Official Cited on Action for GATT Membership**

*OW2308123089 Taipei International Service  
in English 0200 GMT 15 Aug 89*

[Text] A leading government official has said that the ROC [Republic of China] will pass a liberalizing trade act soon in order to become a contracting party to the General Agreement on Tariffs and Trade, or GATT, before Mainland China does.

Vice Economics Minister Chiang Pin-kung said the bill, to be screened in the next Legislative Yuan session in September, will emphasize the government's policy of minimizing export and import controls. Chiang said no licenses will be required for an absolute majority of export and import items after 1 January 1991, in a gesture to show that the ROC is honestly implementing its trade act.

If the ROC rejoins GATT, Chiang explained, the country will be entitled to ask other trade partners to drop all discriminatory treatment of made in Taiwan products in accordance with GATT's free trade principle. As a contracting party to GATT, he added, the ROC will also be able to establish official trade and economic relations with 96 countries which are also fellow contracting parties.

#### **Minister Views Trade With USSR, East Europe**

*OW2308122389 Taipei International Service  
in English 0200 GMT 22 Aug 89*

[Text] Vice Economics Minister Chiang Pin-kung, who is responsible for international trade, has stated that prospects for developing trade relations with the Soviet Union and Eastern European countries are good. An emphasis should be placed on developing technical cooperation and investment. Chiang said that the purpose of the nation's policies in establishing economic and trade relations with the USSR is not on doing business only. He said the Russians seem to be interested in technical cooperation and investment with the ROC [Republic of China].

Commenting on the ROC trade mission organized by the Taiwan Importers' and Exporters' Association, now touring Siberia, the vice minister said the mission will certainly bring back new trade horizons which will be helpful in further trade relations with Eastern European countries.

Chiang also explained that the ROC Government will stick to its policy of indirect trade with the Soviet Union, but the indirect trade is different from that with the Chinese communists on the mainland. The difference, Chiang said, is that only 95 primary agricultural products and raw materials can be imported indirectly from the Chinese mainland, while there will be no limitations at all with the Russians.

## Hong Kong

### China Endorses Next Sino-British Meeting Date

HK2208024289 Hong Kong HONGKONG STANDARD  
in English 22 Aug 89 p 1

[By Yue Sin-Yui and Ma Miu-wah]

[Text] Britain has sparked arguments with China despite an agreement by Beijing to Britain's proposed date for the next Joint Liaison Group (JLG) meeting, a senior Chinese source said yesterday.

In the latest shot in the war of words that has developed between London and Beijing, the source said China had welcomed Britain's move to start preparatory work for the meeting and had agreed as early as July 30 to meet in London on September 27 to 29.

But despite this, Britain had deliberately sparked arguments with China, he said. "Our Foreign Minister, Mr Qian Qichen, agreed to the date proposed by British Foreign Secretary Mr John Major when they met in Paris," the source said.

This is the first confirmation that the revived JLG meeting date had been agreed.

Mr Douglas Martin, who heads the British team at the JLG, yesterday said both sides would meet soon to discuss the agenda.

The Chinese source welcomed the plan for preparatory work but criticised Britain for creating Sino-British tensions over Hong Kong's future. "The problem is not on our side," he said.

"We didn't want to see it happen.

"The fact is that something which we did not want to see, such as open crossfire, has taken place."

Mr Martin said there was no confrontation, it only showed both sides disagreed.

"The disagreement would eventually be discussed at the meeting," he said.

Diplomatic relations have soured since China accused Britain two weeks ago of suspending June's JLG meeting.

And in a strongly-worded speech last week, Mr Barrie Wiggham, Secretary for General Duties, said several points in the Basic Law draft needed further examination.

Some of the arrangements made in the present draft might breach the Joint Declaration and the prevailing practice in Hong Kong, Mr Wiggham said.

The speech was immediately condemned by Hong Kong-based Chinese officials.

Subsequently China's Foreign Ministry accused Britain of interfering in China's internal affairs in commenting on the draft of the mini-constitution.

This was followed by a counter-attack by Mr Francis Maude, the newly-appointed British minister with special responsibility for Hong Kong.

"It can't possibly be improper for those in authority in Hong Kong to express their concerns, and I hope that those in Beijing will take this seriously," Mr Maude said in a radio interview two days ago.

Mr Martin said yesterday although it was not usual British practice to air opinions publicly, they had not said they would not.

But the Chinese source yesterday said Mr Wiggham's speech touched on concerns of the JLG, which according to diplomatic agreements, should not be made public.

Mr Martin said Mr Wiggham had only tried to encourage the Hong Kong people to speak up on the Basic Law.

"It is close to the end of the consultation period of the Basic Law draft, and Mr Wiggham was anxious to encourage Hong Kong people to give their views about it," Mr Martin said.

"Some of the issues raised in Mr Wiggham's speech might be raised by the JLG."

He said either side could propose anything for the agenda, but it must be agreed by both sides for inclusion.

### Officials Rule Out Basic Law Concessions

HK2308034589 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Aug 89 p 7

[By Chris Yeung and Fanny Wong]

[Text] Beijing officials are in no mood to make any "major concessions" over the Basic Law or any other related issues.

This hard-line message was driven home loud and clear at a recent briefing in the mainland capital for China's top officials based in Hong Kong.

Attending the session were local NEW CHINA NEWS AGENCY (NCNA) director Xu Jiatun, along with vice-directors Zheng Hua and Qiao Zonghuai as well as Mr Ke Zaishuo who heads the Chinese team of the Sino-British Joint Liaison Group (JLG) and JLG member Zheng Weirong.

A source who attended the briefing, said: "China is taking a very strong line against both the Hong Kong Government and the British Government."

"It's a no-nonsense approach. Essentially, China has set the base line and there is going to be no retreat," the source said.

Another source added that the second draft of the Basic Law would largely stand as it is without further "concessions" from the Chinese side, except perhaps for a few changes in the wording.

The source described the atmosphere of the session as being electric. "There was a lot of rhetoric", he said.

"The line given is that should Hong Kong or Britain come up with anything detrimental to China, China would 'respond accordingly'," he said.

The strained ties between Hong Kong and China have already prompted mainland drafters to scrap a proposed visit to the territory before the Basic Law consultation exercise ends by October 31.

However, a delegation of mainland Basic Law drafters, led by Mr Lu Ping, will visit Macao next month to discuss the enclave's Basic Law. They have no plans to talk directly with Hong Kong people on the post-1997 draft mini-constitution during or after the trip.

A Hong Kong NCNA official said they would not help arrange any Hong Kong group to meet the mainland drafters in the enclave during the 13-day visit.

Mr Lu, who is deputy director of the State Council's Hong Kong and Macao Affairs Office, will lead an eight-member delegation to Macao for the first time starting on September 3.

The trip was announced after a team of executive members of the Hong Kong Basic Law Consultative Committee (BLCC) failed to convince the mainland drafters to resume direct dialogue with people here on the draft.

Mainland drafters have expressed fears that Hong Kong people would not believe or trust what they have to say.

The delegation to Macao will include Mr Xiao Weiyun, Mr Wu Jianfan and Mr Xu Chongde who sit on both the drafting committees for the Basic Laws of Hong Kong and Macao.

A BLCC official in Hong Kong said any arrangement for local people to visit Macao to meet the drafters was "out of the question".

She said the BLCC secretariat was considering whether to arrange visits for Hong Kong people to go to Beijing to express their views.

Local drafter Dr Raymond Wu Wai-yung said he agreed mainland drafters should not visit the territory because of the soured ties between Hong Kong, China and Britain.

Referring to the words between China and Britain over recent remarks made by the Hong Kong Secretary for General Duties, Mr Barrie Wiggham, Dr Wu said both countries seemed to have no intention of improving their ties to solve Hong Kong problems.

"Under such an atmosphere, who can guarantee that the visits of mainland drafters here will be free of trouble and embarrassment? Who can guarantee that the democrats will not organise mass rallies during their visit? I agree that they should not come."

Dr Wu said the cancellation of mainland visits would have no adverse effects over the Basic Law drafting work because "almost everything of the draft has been discussed in the past".

But BLCC executive member Denis Chang Khen-lee urged the mainland drafters to think again and described their decision to visit Macao but not Hong Kong as "strange".

"We all know that the Macao people reacted as strongly as Hong Kong people towards the China events," Mr Chang said.

He said the last thing China should do now was to show disapproval of Hong Kong.

### Ji Pengfei Reaffirms 'Two Systems Policy'

HK2308044389 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Aug 89 p 7

[By Chris Yeung]

[Text] Senior Chinese official Ji Pengfei has assured a visiting delegation of young Hong Kong business leaders headed by Mr Vincent Lo Hong-sui that Beijing's policy towards the territory will not be changed.

Without mentioning the June 4 incident, Mr Ji reportedly said: "No matter what happened on the mainland, our policy towards Hong Kong will not be changed."

He vowed the "one country, two systems" would not be altered, adding that the interests of China were consistent with those of Hong Kong.

Mr Ji who is director of the State Council's Hong Kong and Macao Affairs Office was speaking during a dinner he hosted for the delegation—the first from the business sector since June 4—on Monday.

Last month, a delegation of the New Territories Association of Societies led by Mr Lee Lin-sang became the first group of locals to meet senior Chinese officials and martial law enforcement troops after the Tiananmen Square bloodbath.

Two other Basic Law delegations have also visited Beijing on the consultation exercise.

Unlike the past visits, the businessmen's visit was at the invitation of new Politburo member Li Ruihuan who was formerly the mayor of Tianjin.

Mr Li hosted a dinner of the businessmen last night.



In the afternoon, the Hong Kong team held a series of talks with the two deputies of Mr Ji, Mr Li Hou and Mr Lu Ping on a wide range of issues facing the territory.

The other delegates are Mr Chow On-kiu, managing director of the Tian An China Investments; Mr Fok Tsun-wan; Mr Henry Wu King-cheong, chairman of Hong Kong Stockbrokers' Association; Mr Cheng Kar-shun; Mr Wong Chi-cheung; Mr Peter Wong Man-kwong, managing director of the Chung Wah Shipbuilding and Engineering Company and Mr Hung Har-hip.

### Editorial Urges End to British-Sino Squabbling

HK2208020389 Hong Kong HONGKONG STANDARD  
in English 22 Aug 89 p 10

[Editorial: "Squabbling Can Only Injure HK"]

[Text] The time has come to call a verbal ceasefire in the war of words between Beijing and London. For some days now, the air over both capitals has been thick with allegations and counter-allegations. And each new outburst, some observers fear, could further jolt the shaky base of Sino-British detente.

The British Foreign Office minister with special responsibility for Hong Kong, Mr Francis Maude, is the latest UK official to speak out on the controversial issue of the stationing of PLA troops here after 1997. Secretary for General Duties Barrie Wiggam had earlier questioned whether the troops should be stationed in the territory during peacetime. His speech sparked an angry response from China, claiming that Mr Wiggam had interfered in the drafting of the Basic Law. Mr Maude promptly described China's attitude as ridiculous. And a Chinese Joint Liaison Group source duly counter-attacked by accusing the British side of "creating the recent open crossfires."

Since the events of early June, the people of Hong Kong have been searching for a confidence-booster. This newspaper, and other media in the territory, have strongly urged China and Britain to come up with some solid measures aimed at bolstering Hong Kong's morale. On the one hand, Hong Kong was asking the UK for right of abode, a request that received short shrift from the British Government. On the other hand, we have been waiting for a sign from China that the situation there is returning to normal after the bloody crushing of the pro-democracy movement.

Over the past few weeks, some sort of normalcy has been returning to the territory with economic indicators, such as the stock market, beginning a slow but steady climb back to pre-June 4 levels. Recently, too, the property market, savagely hit by the aftermath of the events in China, has begun to show some evidence of resilience. But there is a long, long way to go. Negative comments from either side are extremely unwelcome.

It might be remembered that in a previous squabble between Beijing and London back in 1985, the Hong Kong branch director of China's XINHUA News Agency, Mr Xu Jiatun, condemned what he termed British efforts to develop representative government here. Waving a copy of the Sino-British agreement, Mr Xu made a veiled accusation against Britain of "current tendencies to deviate from this document" and warned of "unfortunate" consequences for the territory.

Hong Kong's economic thermometer, the stock market, has always been quick to react to the continuing war of words between Beijing and London. It may be that we will see a further decline in the value of shares. International diplomacy involves complex and subtly balanced relationships between countries. Any verbal assault which might damage the structure of the Sino-British relationship is a disservice to Hong Kong. It must be remembered that there is still much fear and concern here.

Nobody is suggesting that we have given up hope. In fact, the Secretary for Lands and Works, Mr Graham Barnes, re-affirmed yesterday that the Government will be spending billions of dollars on the territory's infrastructure in the years ahead. "Hong Kong still has a solid constitutional basis for prosperity and progress in the next 58 years, in the shape of the Sino-British Joint Declaration," he said. "Many others have a much worse basis for optimism." His comment will be seen by many here as a sign that we must look to ourselves.

It is not our wish to launch a verbal assault of our own on either the British or the Chinese leadership (especially since today is Mr Deng Xiaoping's 85th birthday). But we believe that both sides must realise that only serious and constructive negotiations between the two countries will help assure the people of Hong Kong that we do indeed have a safe and bright future.

If the current squabbling continues, there will be only one loser: Hong Kong. So we appeal to both countries to demonstrate diplomacy by seeking solutions to mutual problems rather than unleashing harmful broadsides whose potential hazards for Hong Kong far outweigh any propaganda advantages for either side. Let us be assured of our future.

### Vietnamese 'Secret Police' Dissuade Boat People

HK2308033189 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Aug 89 pp 1, 2

[By Simon Macklin in Hanoi]

[Text] Officials in Vietnam's northern coastal provinces claim that an operation by "secret police" and security forces in recent months has resulted in fewer boat people setting out for Hong Kong.

The people of Hai Phong and neighbouring Quang Ninh Province, which lie on the border with China and the staging point for about 90 percent of boat people who

make it to Hong Kong, have been bombarded with propaganda highlighting poor conditions in detention centres to dissuade them from attempting the trip.

The deputy director for security in each province, interviewed independently at their respective headquarters yesterday, both claimed they had increased measures to prevent illegal departures although neither was able to give precise figures.

Both officials outlined harsh measures in the crackdown, including shootings and execution.

The measures were introduced after Foreign Minister Nguyen Co Thach told the United Nations conference in Geneva on the Indo-Chinese refugee problem, that Hanoi would do all it could to halt the exodus.

Deputy directors Nguyen Binh Doan in Hai Phong and Pham Dung in Quang Ninh said the increased numbers of departures in the first six months of this year had been prompted by letters from Vietnamese in resettlement countries and camps in Hong Kong.

The letters suggested those who arrive in Hong Kong before June would automatically be offered homes in third countries.

The United Nations High Commissioner for Refugees (UNHCR) discovered that the letters were part of a disinformation campaign being waged by overseas Vietnamese.

Officials said to counteract the effects of the campaign, the Government's propaganda had been extended in the past few months to all factories and workers' unions to ensure people got the message that they stood little chance of reaching Hong Kong if they left Vietnam illegally.

It was clear yesterday that the officials did not seem to understand the territory's policy to separate genuine refugees from economic migrants and that the latter would never qualify for resettlement.

The officials, instead, were warning workers and youth groups of the heavy penalties for illegal departures.

They were also highlighting the poor conditions in Hong Kong's camps based on letters from boat people now in the territory and reports by returnees.

Both officials said they have stepped up patrols by police, the Navy and local militia.

Mr Dung said in the first six months of this year, 3,224 people had been arrested attempting to leave while the figure had dropped to 284 over the past few months.

He said of those captured before the end of June, 413 had been sent to jail for up to 12 years.

In the past only those who had been caught trying to leave more than two or three times, or who were believed to be organisers, were jailed but courts were now taking a sterner view.

Another 138 boat people sailed into Hong Kong yesterday, bringing the total for this month to 3,793, compared with 4,292 for all of July.

There are now 54,763 Vietnamese in Hong Kong, of which 41,517 arrived after the Government introduced the screening policy.

Security had been increased at the China border to block the overland route to Hong Kong.

Only those with legitimate business in China were now allowed to cross the border, Mr Dung claimed.

An undercover operation of secret police had also been stepped up.

Security patrols were instructed to fire warning shots at vessels believed to be taking people out of the country. If the boat refused to stop the armed forces would shoot directly at the boats, he said.

"Two or three" people were killed last year because of this action.

Mr Doan said the secret police in Hai Phong had also increased action in the past two months.

He said those found guilty of organising the departures face jail sentences of 10 to 20 years.

But he said two people responsible for organising illegal departures had been executed in the first six months this year.

In one of these cases the man who was executed had killed two men while hijacking a boat.

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